UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2025

or

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

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

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

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

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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

Sempra:

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

San Diego Gas & Electric Company:

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

Southern California Gas Company:

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

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

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

Yes ☐ No ☒

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

Common stock outstanding as of August 4, 2025:

Sempra	652,472,426 shares
San Diego Gas & Electric Company	Wholly owned by Enova Corporation, which is wholly owned by Sempra
Southern California Gas Company	Wholly owned by Pacific Enterprises, which is wholly owned by Sempra

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

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

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

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

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

GLOSSARY

IRS	U.S. Internal Revenue Service
ISO	Independent System Operator
ITC	investment tax credit
JV	joint venture
KKR Denali	KKR Denali Holdco LLC, an affiliate of Kohlberg Kravis Roberts & Co. L.P.
KKR Pinnacle	KKR Pinnacle Investor L.P., an affiliate of Kohlberg Kravis Roberts & Co. L.P.
LA Fires	the wildfires in Los Angeles County, California, including the Palisades, Eaton and other fires, that burned in January and February of 2025
Leak	the leak at the SoCalGas Aliso Canyon natural gas storage facility injection-and-withdrawal well, SS25, discovered by SoCalGas on October 23, 2015
LH	Mexico's Hydrocarbons Law
LIE	Mexico's Electricity Industry Law
LNG	liquefied natural gas
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MMBtu	million British thermal units (of natural gas)
Moody's	Moody's Investors Service, Inc.
MOU	Memorandum of Understanding
Mtpa	million tonnes per annum
MW	megawatt
MWh	megawatt hour
NCI	noncontrolling interest(s)
NDT	nuclear decommissioning trusts
O&M	operation and maintenance expense
OBBBA	One Big Beautiful Bill Act
OCI	other comprehensive income (loss)
Oncor	Oncor Electric Delivery Company LLC
Oncor Holdings	Oncor Electric Delivery Holdings Company LLC
OSHA	Occupational Safety and Health Administration
Other Sempra	All Sempra consolidated entities, except for SDG&E and SoCalGas
PA LNG Phase 1 project	initial phase of the Port Arthur LNG liquefaction project
PA LNG Phase 2 project	second phase of the Port Arthur LNG liquefaction project
PBOP	postretirement benefits other than pension
PEMEX	Petróleos Mexicanos (Mexican state-owned oil company)
Port Arthur LNG	Port Arthur LNG, LLC, a subsidiary of SI Partners that owns the PA LNG Phase 1 project
PP&E	property, plant and equipment
PPA	power purchase agreement
PSEP	Pipeline Safety Enhancement Plan
PUCT	Public Utility Commission of Texas
Registrants	has the meaning set forth in Rule 12b-2 under the Exchange Act and consists of Sempra, SDG&E and SoCalGas for purposes of this report
ROE	return on equity
RSU	restricted stock unit
S&P	S&P Global Ratings, a division of S&P Global Inc.
Sales Agreement	ATM Equity Offering Sales Agreement, dated November 6, 2024, among Sempra and Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Scotia Capital (USA) Inc., and Wells Fargo Securities, LLC (each a sales agent or forward seller) and Barclays Bank PLC, Bank of America, N.A., Citibank, N.A., Goldman Sachs & Co. LLC, JPMorgan Chase Bank, National Association, Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, MUFG Securities EMEA plc, Royal Bank of Canada, The Bank of Nova Scotia and Wells Fargo Bank, National Association, or one of their respective affiliates (each a forward purchaser)
SDG&E	San Diego Gas & Electric Company
SDSRA	Senior Debt Service Reserve Account
SEC	U.S. Securities and Exchange Commission
SEDATU	Secretaría de Desarrollo Agrario, Territorial y Urbano (Mexico's agency in charge of agriculture, land and urban development)
SENER	Secretaría de Energía de México (Mexico's Ministry of Energy)
series C preferred stock	Sempra's 4.875% fixed-rate reset cumulative redeemable perpetual preferred stock, series C
Sharyland Utilities	Sharyland Utilities, L.L.C.

GLOSSARY	
SI Partners	Sempra Infrastructure Partners, LP, the holding company for most of Sempra's subsidiaries not subject to California or Texas utility regulation
SoCalGas	Southern California Gas Company
SOFR	Secured Overnight Financing Rate
SONGS	San Onofre Nuclear Generating Station
SPA	sale and purchase agreement
SRP	system resiliency plan
Support Agreement	support agreement, dated July 28, 2020 and amended in June 2021, January 2025 and March 2025, between Sempra and Sumitomo Mitsui Banking Corporation
TAG Norte	TAG Norte Holding, S. de R.L. de C.V.
TAG Pipelines	TAG Pipelines Norte, S. de R.L. de C.V.
TCEQ	Texas Commission on Environmental Quality
TdM	Termoeléctrica de Mexicali
TO5	Electric Transmission Owner Formula Rate, effective June 1, 2019
TO5 adder refund provision	the provision in the TO5 settlement providing that SDG&E will refund the California ISO adder as of June 1, 2019 if the FERC issues an order ruling that California IOUs are no longer eligible for the California ISO adder
TO6	Electric Transmission Owner Formula Rate, effective June 1, 2025, subject to refund
TRO	temporary restraining order
U.S. GAAP	generally accepted accounting principles in the United States of America
UTM	unified tracker mechanism
VIE	variable interest entity
VREP	Voluntary Retirement Enhancement Program
Wildfire Fund	the fund established pursuant to AB 1054
Wildfire Legislation	AB 1054 and AB 111

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

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

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

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SEMPRA
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per share amounts; shares in thousands)

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

See Notes to Condensed Consolidated Financial Statements.

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

	Sempra shareholders' equity				
	Pretax amount	Income tax (expense) benefit	Net-of-tax amount	Noncontrolling interests (after tax)	Total
	(unaudited)				
	Three months ended June 30, 2025 and 2024				
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
2024:					
Net income	$ 595	$ 130	$ 725	$ 146	$ 871
Other comprehensive income (loss):					
Foreign currency translation adjustments	(16)	—	(16)	(7)	(23)
Financial instruments	5	(12)	(7)	55	48
Pension and other postretirement benefits	8	(2)	6	—	6
Total other comprehensive (loss) income	(3)	(14)	(17)	48	31
Comprehensive income	592	116	708	194	902
Preferred dividends of subsidiary	(1)	—	(1)	—	(1)
Comprehensive income, after preferred dividends of subsidiary	$ 591	$ 116	$ 707	$ 194	$ 901
	Six months ended June 30, 2025 and 2024				
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
2024:					
Net income	$ 1,579	$ (42)	$ 1,537	$ 215	$ 1,752
Other comprehensive income (loss):					
Foreign currency translation adjustments	(13)	—	(13)	(6)	(19)
Financial instruments	48	(16)	32	169	201
Pension and other postretirement benefits	13	(3)	10	—	10
Total other comprehensive income	48	(19)	29	163	192
Comprehensive income	1,627	(61)	1,566	378	1,944
Preferred dividends of subsidiary	(1)	—	(1)	—	(1)
Comprehensive income, after preferred dividends of subsidiary	$ 1,626	$ (61)	$ 1,565	$ 378	$ 1,943

See Notes to Condensed Consolidated Financial Statements.

SEMPRA
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions)

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

[1] *Derived from audited financial statements.*

See Notes to Condensed Consolidated Financial Statements.

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

	June 30, 2025	December 31, 2024[1]
	(unaudited)	
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	$ 2,282	$ 2,016
Accounts payable – trade	2,026	2,238
Accounts payable – other	265	208
Due to unconsolidated affiliates	8	—
Dividends and interest payable	818	773
Accrued compensation and benefits	402	558
Regulatory liabilities	54	141
Current portion of long-term debt and finance leases	1,372	2,274
Greenhouse gas obligations	217	217
Other current liabilities	1,163	1,251
Total current liabilities	8,607	9,676
Long-term debt and finance leases	34,936	31,558
Deferred credits and other liabilities:		
Due to unconsolidated affiliates	359	352
Regulatory liabilities	3,906	3,817
Greenhouse gas obligations	879	506
Pension and other postretirement benefit plan obligations, net of plan assets	163	168
Deferred income taxes	6,161	5,845
Asset retirement obligations	3,848	3,737
Deferred credits and other	2,752	2,708
Total deferred credits and other liabilities	18,068	17,133
Commitments and contingencies (Note 12)		
Equity:		
Preferred stock (50,000,000 shares authorized; 900,000 shares of series C outstanding)	889	889
Common stock (1,125,000,000 shares authorized; 652,248,768 and 650,629,876 shares outstanding at June 30, 2025 and December 31, 2024, respectively; no par value)	13,518	13,520
Retained earnings	17,505	16,979
Accumulated other comprehensive income (loss)	(215)	(166)
Total Sempra shareholders' equity	31,697	31,222
Preferred stock of subsidiary	20	20
Other noncontrolling interests	6,579	6,546
Total equity	38,296	37,788
Total liabilities and equity	$ 99,907	$ 96,155

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

See Notes to Condensed Consolidated Financial Statements.

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

	Six months ended June 30,	
	2025	2024
	(unaudited)	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest payments, net of amounts capitalized	$ 691	$ 574
Income tax payments, net of refunds	290	233
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Repayments of advances from unconsolidated affiliate in lieu of distributions	$ 45	$ 62
Accrued capital expenditures for PP&E	1,167	885
Increase (decrease) in ARO capitalized to PP&E	60	(2)
Increase in finance lease obligations capitalized to PP&E	31	12
Unamortized debt issuance costs reclassified from noncurrent asset to long-term debt	37	2
Preferred dividends declared but not paid	11	11
Common dividends declared but not paid	421	393
Common dividends issued in stock	26	27

See Notes to Condensed Consolidated Financial Statements.

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

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

See Notes to Condensed Consolidated Financial Statements.

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

	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	**Sempra shareholders' equity**	Non-controlling interests	**Total equity**
	(unaudited)						
	Six months ended June 30, 2025						
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)**
Noncontrolling interest activities:							
Contributions						83	**83**
Distributions						(91)	**(91)**
Balance at June 30, 2025	$ 889	$ 13,518	$ 17,505	$ (215)	**$ 31,697**	$ 6,599	**$ 38,296**
	Six months ended June 30, 2024						
Balance at December 31, 2023	$ 889	$ 12,204	$ 15,732	$ (150)	**$ 28,675**	$ 4,979	**$ 33,654**
Net income			1,537		**1,537**	215	**1,752**
Other comprehensive income				29	**29**	163	**192**
Share-based compensation expense		41			**41**		**41**
Dividends declared:							
Series C preferred stock ($24.38/share)			(22)		**(22)**		**(22)**
Common stock ($1.24/share)			(785)		**(785)**		**(785)**
Preferred dividends of subsidiary			(1)		**(1)**		**(1)**
Issuances of common stock		45			**45**		**45**
Repurchases of common stock		(40)			**(40)**		**(40)**
Noncontrolling interest activities:							
Contributions						786	**786**
Distributions						(203)	**(203)**
Balance at June 30, 2024	$ 889	$ 12,250	$ 16,461	$ (121)	**$ 29,479**	$ 5,940	**$ 35,419**

See Notes to Condensed Consolidated Financial Statements.

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

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

See Notes to Condensed Financial Statements.

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

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

See Notes to Condensed Financial Statements.

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

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

[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, 2025	December 31, 2024[1]
	(unaudited)	
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Short-term debt	$ —	$ 417
Accounts payable	768	742
Due to unconsolidated affiliates	49	59
Interest payable	96	84
Accrued compensation and benefits	105	175
Accrued franchise fees	53	54
Regulatory liabilities	53	75
Current portion of long-term debt and finance leases	794	42
Greenhouse gas obligations	27	27
Asset retirement obligations	95	97
Other current liabilities	220	215
Total current liabilities	2,260	1,987
Long-term debt and finance leases	10,093	10,018
Deferred credits and other liabilities:		
Regulatory liabilities	2,816	2,701
Greenhouse gas obligations	100	62
Pension obligation, net of plan assets	40	28
Deferred income taxes	3,291	3,211
Asset retirement obligations	797	803
Deferred credits and other	1,437	1,399
Total deferred credits and other liabilities	8,481	8,204
Commitments and contingencies (Note 12)		
Shareholder's equity:		
Preferred stock (45,000,000 shares authorized; none issued)	—	—
Common stock (255,000,000 shares authorized; 116,583,358 shares outstanding; no par value)	1,660	1,660
Retained earnings	9,372	8,916
Accumulated other comprehensive income (loss)	(12)	(12)
Total shareholder's equity	11,020	10,564
Total liabilities and shareholder's equity	$ 31,854	$ 30,773

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

See Notes to Condensed Financial Statements.

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

	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholder's equity
	(unaudited)			
	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
	Three months ended June 30, 2024			
Balance at March 31, 2024	$ 1,660	$ 8,473	$ (8)	$ 10,125
Net income		186		186
Balance at June 30, 2024	$ 1,660	$ 8,659	$ (8)	$ 10,311
	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
	Six months ended June 30, 2024			
Balance at December 31, 2023	$ 1,660	$ 8,250	$ (8)	$ 9,902
Net income		409		409
Balance at June 30, 2024	$ 1,660	$ 8,659	$ (8)	$ 10,311

See Notes to Condensed Financial Statements.

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

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

See Notes to Condensed Financial Statements.

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

	Pretax amount	Income tax expense	Net-of-tax amount
	(unaudited)		
	Three months ended June 30, 2025 and 2024		
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
2024:			
Net income	$ 141	$ (10)	$ 131
Other comprehensive income (loss):			
Financial instruments	1	—	1
Total other comprehensive income	1	—	1
Comprehensive income	$ 142	$ (10)	$ 132
	Six months ended June 30, 2025 and 2024		
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
2024:			
Net income	$ 543	$ (53)	$ 490
Other comprehensive income (loss):			
Financial instruments	1	—	1
Pension and other postretirement benefits	1	—	1
Total other comprehensive income	2	—	2
Comprehensive income	$ 545	$ (53)	$ 492

See Notes to Condensed Financial Statements.

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

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

[1] *Derived from audited financial statements.*

See Notes to Condensed Financial Statements.

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

	June 30, 2025	December 31, 2024[1]
	(unaudited)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 211	$ 1,037
Accounts payable – trade	490	752
Accounts payable – other	215	158
Due to unconsolidated affiliates	43	38
Accrued compensation and benefits	191	245
Contributions in aid of construction	159	117
Regulatory liabilities	—	64
Current portion of long-term debt and finance leases	529	373
Greenhouse gas obligations	178	176
Asset retirement obligations	86	91
Other current liabilities	288	334
Total current liabilities	2,390	3,385
Long-term debt and finance leases	7,622	7,031
Deferred credits and other liabilities:		
Regulatory liabilities	1,089	1,115
Greenhouse gas obligations	735	410
Pension obligation, net of plan assets	31	45
Deferred income taxes	2,168	2,005
Asset retirement obligations	2,957	2,839
Deferred credits and other	382	367
Total deferred credits and other liabilities	7,362	6,781
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Preferred stock (11,000,000 shares authorized; 862,043 shares outstanding)	22	22
Common stock (100,000,000 shares authorized; 91,300,000 shares outstanding; no par value)	2,316	2,316
Retained earnings	6,377	5,850
Accumulated other comprehensive income (loss)	(24)	(27)
Total shareholders' equity	8,691	8,161
Total liabilities and shareholders' equity	$ 26,065	$ 25,358

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

See Notes to Condensed Financial Statements.

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

	Preferred stock	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total shareholders' equity
	(unaudited)				
	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
	Three months ended June 30, 2024				
Balance at March 31, 2024	$ 22	$ 2,316	$ 5,454	$ (22)	$ 7,770
Net income			131		131
Other comprehensive income				1	1
Dividends declared:					
Preferred stock ($0.37/share)			(1)		(1)
Balance at June 30, 2024	$ 22	$ 2,316	$ 5,584	$ (21)	$ 7,901
	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
	Six months ended June 30, 2024				
Balance at December 31, 2023	$ 22	$ 2,316	$ 5,095	$ (23)	$ 7,410
Net income			490		490
Other comprehensive income				2	2
Dividends declared:					
Preferred stock ($0.75/share)			(1)		(1)
Balance at June 30, 2024	$ 22	$ 2,316	$ 5,584	$ (21)	$ 7,901

See Notes to Condensed Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION AND OTHER FINANCIAL DATA

PRINCIPLES OF CONSOLIDATION

Sempra

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

SDG&E

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

SoCalGas

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

BASIS OF PRESENTATION

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

We have prepared our Condensed Consolidated Financial Statements in conformity with U.S. GAAP and in accordance with the interim period reporting requirements of Form 10-Q and applicable rules of the SEC. The financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim periods. These adjustments are only of a normal, recurring nature. Results of operations for interim periods are not necessarily indicative of results for the entire year or for any other period. We evaluated events and transactions that occurred after June 30, 2025 through the date the financial statements were issued and, in the opinion of management, the accompanying financial statements reflect all adjustments and disclosures necessary for a fair presentation.

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

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

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

REGULATED OPERATIONS

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

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

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

VARIABLE INTEREST ENTITIES

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

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

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

SDG&E

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

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

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

SDG&E determined that none of its PPAs and tolling agreements resulted in SDG&E being the primary beneficiary of a VIE at June 30, 2025 and December 31, 2024. PPAs and tolling agreements that relate to SDG&E's involvement with VIEs are primarily accounted for as finance leases. The carrying amounts of the assets and liabilities under these contracts are included in PP&E, net, and finance lease liabilities with balances of $1,124 million and $1,138 million at June 30, 2025 and December 31, 2024, respectively. SDG&E recovers costs incurred on PPAs, tolling agreements and other variable interests through CPUC-approved long-term power procurement plans. SDG&E has no residual interest in the respective entities and has not provided or guaranteed any debt or equity support, liquidity arrangements, performance guarantees or other commitments associated with these contracts other than the purchase commitments described in Note 15 of the Notes to Consolidated Financial Statements in the Annual Report. As a result, SDG&E's potential exposure to loss from its variable interest in these VIEs is not significant.

Other Sempra

Oncor Holdings

Oncor Holdings is a VIE. Sempra is not the primary beneficiary of this VIE because of the structural and operational ring-fencing and governance measures in place that prevent us from having the power to direct the significant activities of Oncor Holdings. As a result, we do not consolidate Oncor Holdings and instead account for our ownership interest as an equity method investment. See Note 5 of the Notes to Consolidated Financial Statements in the Annual Report for additional information about our equity method investment in Oncor Holdings and restrictions on our ability to influence its activities. Our maximum exposure to loss, which fluctuates over time, from our interest in Oncor Holdings does not exceed the carrying value of our investment, which was $16,402 million and $15,400 million at June 30, 2025 and December 31, 2024, respectively.

Cameron LNG JV

Cameron LNG JV is a VIE principally due to contractual provisions that transfer certain risks to customers. 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. The carrying value of our investment was $1,204 million at June 30, 2025 and $1,149 million at December 31, 2024. Our maximum exposure to loss, which fluctuates over time, includes the carrying value of our investment and our obligation under the SDSRA, which we discuss in Note 12.

CFIN

As we discuss in Note 12, in July 2020, Sempra entered into a 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, which we discuss in Note 12.

ECA LNG Phase 1

ECA LNG Phase 1 is a VIE because its total equity at risk is not sufficient to finance its activities without additional subordinated financial support. We expect that ECA LNG Phase 1 will require future capital contributions or other financial support to finance the construction of the facility. Sempra is the primary beneficiary of this VIE because we have the power to direct the activities related to the construction and future operation and maintenance of the liquefaction facility. As a result, we consolidate ECA LNG Phase 1. Sempra consolidated $1,886 million and $1,758 million of assets at June 30, 2025 and December 31, 2024, respectively, consisting primarily of PP&E, net, attributable to ECA LNG Phase 1 that could be used only to settle obligations of this VIE and that are not available to settle obligations of Sempra, and $1,204 million and $1,080 million of liabilities at June 30, 2025 and December 31, 2024, respectively, consisting primarily of long-term debt attributable to ECA LNG Phase 1 for which creditors do not have recourse to the general credit of Sempra. Additionally, IEnova and TotalEnergies SE have provided guarantees for repayment of up to $1,056 million and $262 million, respectively, plus accrued and unpaid interest, of the loan facility supporting construction of the liquefaction facility (see Note 7).

Port Arthur LNG

Port Arthur LNG is a VIE because its total equity at risk is not sufficient to finance its activities without additional subordinated financial support. We expect that Port Arthur LNG will require future capital contributions or other financial support to finance the construction of the PA LNG Phase 1 project, which we discuss in Note 10 in "Noncontrolling Interests – SI Partners Subsidiaries." Sempra is the primary beneficiary of this VIE because we have the power to direct the activities related to the construction and future operation and maintenance of the liquefaction facility. As a result, we consolidate Port Arthur LNG. Sempra consolidated $7,735 million and $6,419 million of assets at June 30, 2025 and December 31, 2024, respectively, consisting primarily of PP&E, net, attributable to Port Arthur LNG that could be used only to settle obligations of this VIE and that are not available to settle obligations of Sempra, and $3,003 million and $1,584 million of liabilities at June 30, 2025 and December 31, 2024, respectively, consisting primarily of long-term debt and accounts payable attributable to Port Arthur LNG for which creditors do not have recourse to the general credit of Sempra.

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, 2025	December 31, 2024
Sempra:		
Cash and cash equivalents	$ 155	$ 1,565
Restricted cash, current	25	21
Restricted cash, noncurrent	3	3
Total cash, cash equivalents and restricted cash on the Condensed Consolidated Statements of Cash Flows	$ 183	$ 1,589

CREDIT LOSSES

Financial Assets Measured at Amortized Cost

We are exposed to credit losses from financial assets measured at amortized cost, including trade and other accounts receivable, amounts due from unconsolidated affiliates, our net investment in sales-type leases and a note receivable.

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

As we discuss below in "Note Receivable," we have an interest-bearing promissory note due from KKR Pinnacle. On a quarterly basis, we evaluate credit losses and record allowances for expected credit losses on this note receivable, including compounded interest and unamortized transaction costs, based on published default rate studies, the maturity date of the instrument and an internally developed credit rating.

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

Changes in allowances for credit losses for trade receivables, other receivables and a note receivable are as follows:

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

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

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

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

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

Off-Balance Sheet Credit Exposures

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

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

ALLOWANCES FOR CREDIT LOSSES
(Dollars in millions)

	June 30, 2025	December 31, 2024
Sempra:		
Other current liabilities	$ 6	$ —
Deferred credits and other	5	5
Total allowances for credit losses	$ 11	$ 5

TRANSACTIONS WITH AFFILIATES

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

AMOUNTS DUE FROM (TO) UNCONSOLIDATED AFFILIATES
(Dollars in millions)

	June 30, 2025	December 31, 2024
Sempra:		
Tax sharing agreement with Oncor Holdings	$ —	$ 8
Various affiliates	3	5
Total due from unconsolidated affiliates – current	$ 3	$ 13
Tax sharing arrangement with Oncor Holdings	$ (8)	$ —
Total due to unconsolidated affiliates – current	$ (8)	$ —
TAG Pipelines[1]:		
5.5% Note due January 14, 2026	$ —	$ (8)
5.5% Note due July 14, 2026	—	(12)
5.5% Note due January 19, 2027	—	(15)
5.5% Note due July 21, 2027	(9)	(19)
5.5% Note due January 19, 2028	(49)	(48)
5.5% Note due July 18, 2028	(42)	(41)
5.5% Note due January 22, 2029	(45)	—
TAG Norte – 5.74% Note due December 17, 2029[1]	(214)	(209)
Total due to unconsolidated affiliates – noncurrent	$ (359)	$ (352)
SDG&E:		
SoCalGas	$ 9	$ —
Total due from unconsolidated affiliates – current	$ 9	$ —
Sempra	$ (41)	$ (42)
SoCalGas	—	(14)
Various affiliates	(8)	(3)
Total due to unconsolidated affiliates – current	$ (49)	$ (59)
Income taxes due from Sempra[2]	$ 33	$ 38
SoCalGas:		
SDG&E	$ —	$ 14
Various affiliates	2	2
Total due from unconsolidated affiliates – current	$ 2	$ 16
Sempra	$ (34)	$ (38)
SDG&E	(9)	—
Total due to unconsolidated affiliates – current	$ (43)	$ (38)
Income taxes due from (to) Sempra[2]	$ 11	$ (6)

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

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

The following table summarizes income statement information from unconsolidated affiliates.

INCOME STATEMENT IMPACT FROM UNCONSOLIDATED AFFILIATES
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sempra:				
Revenues	$ 8	$ 10	$ 17	$ 20
Interest expense	5	3	9	7
SDG&E:				
Revenues	$ 5	$ 5	$ 11	$ 11
Cost of sales	30	35	68	75
SoCalGas:				
Revenues	$ 40	$ 37	$ 81	$ 81
Cost of sales[(1)]	—	—	(1)	(3)

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

Guarantees

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

INVENTORIES

The components of inventories are as follows:

INVENTORY BALANCES
(Dollars in millions)

	Sempra		SDG&E		SoCalGas	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Natural gas	$ 141	$ 163	$ 1	$ 1	$ 125	$ 148
LNG	12	27	—	—	—	—
Materials and supplies	472	369	252	201	143	139
Total	$ 625	$ 559	$ 253	$ 202	$ 268	$ 287

DEDICATED ASSETS IN SUPPORT OF CERTAIN BENEFITS PLANS

In support of its Supplemental Executive Retirement, Cash Balance Restoration and Deferred Compensation Plans, Sempra maintains dedicated assets, including a Rabbi Trust and investments in life insurance contracts, which totaled $591 million and $585 million at June 30, 2025 and December 31, 2024, respectively.

NOTE RECEIVABLE

In November 2021, Sempra loaned $300 million to KKR Pinnacle in exchange for an interest-bearing promissory note that is due in full no later than October 2029 and bears compound interest at 5% per annum, which may be paid quarterly or added to the outstanding principal at the election of KKR Pinnacle. At June 30, 2025 and December 31, 2024, Other Long-Term Assets includes $358 million and $349 million, respectively, of outstanding principal, compounded interest and unamortized transaction costs, net of allowance for credit losses, on Sempra's Condensed Consolidated Balance Sheets.

PROPERTY, PLANT AND EQUIPMENT

Sempra Infrastructure's Sonora natural gas pipeline consists of two pipeline segments, the Sasabe-Puerto Libertad-Guaymas segment and the Guaymas-El Oro segment. Each segment has its own service agreement with the CFE. Following the start of commercial operations of the Guaymas-El Oro segment, Sempra Infrastructure reported damage to the pipeline in the Yaqui territory that has made that section inoperable since August 2017 because it was not able to be repaired due to legal challenges, which were resolved in March 2023, by some members of the Yaqui tribe. Sempra Infrastructure and the CFE have agreed to an amendment to their transportation services agreement and to re-route the portion of the pipeline that is in the Yaqui territory, whereby the CFE would pay for the re-routing with a new tariff. This amendment will terminate if certain conditions are not met, and Sempra Infrastructure retains the right to terminate the transportation services agreement and seek to recover its reasonable and documented costs and lost profit. Sempra Infrastructure continues to acquire and pursue the necessary rights-of-way and permits for the portion of the pipeline that needs to be re-routed. At June 30, 2025, Sempra Infrastructure had $395 million in PP&E, net, related to the Guaymas-El Oro segment of the Sonora pipeline, which could be subject to impairment if, among other things, Sempra Infrastructure is unable to re-route a portion of the pipeline and resume operations or if Sempra Infrastructure terminates the contract and is unable to obtain recovery.

CAPITALIZED FINANCING COSTS

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

CAPITALIZED FINANCING COSTS
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sempra	$ 195	$ 155	$ 369	$ 300
SDG&E	32	27	57	53
SoCalGas	25	26	50	50

COMPREHENSIVE INCOME

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

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

(Dollars in millions)

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

[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, 2025 and 2024			
Sempra:				
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)
Balance at December 31, 2023	$ (36)	$ 3	$ (117)	$ (150)
OCI before reclassifications	(13)	48	1	36
Amounts reclassified from AOCI	—	(16)	9	(7)
Net OCI	(13)	32	10	29
Balance at June 30, 2024	$ (49)	$ 35	$ (107)	$ (121)
SDG&E:				
Balance at December 31, 2024 and June 30, 2025			$ (12)	$ (12)
Balance at December 31, 2023 and June 30, 2024			$ (8)	$ (8)
SoCalGas:				
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)
Balance at December 31, 2023		$ (11)	$ (12)	$ (23)
Amounts reclassified from AOCI		1	1	2
Net OCI		1	1	2
Balance at June 30, 2024		$ (10)	$ (11)	$ (21)

[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,		
	2025	2024	
Sempra:			
Financial instruments:			
Interest rate instruments	$ —	$ (3)	Interest expense
Interest rate instruments	1	(10)	Equity earnings[1]
Foreign exchange instruments	(1)	(2)	Revenues: Energy-related businesses
	1	(1)	Other income, net
Foreign exchange instruments	(1)	(2)	Equity earnings[1]
Total, before income tax	—	(18)	
	—	3	Income tax (expense) benefit
Total, net of income tax	—	(15)	
	1	5	Earnings attributable to noncontrolling interests
Total, net of income tax and after NCI	$ 1	$ (10)	
Pension and PBOP[2]:			
Amortization of actuarial loss	$ 1	$ 1	Other income, net
Amortization of prior service cost	1	—	Other income, net
Settlement charges	—	9	Other income, net
Total, before income tax	2	10	
	—	(3)	Income tax (expense) benefit
Total, net of income tax	$ 2	$ 7	
Total reclassifications for the period, net of income tax and after NCI	$ 3	$ (3)	
SoCalGas:			
Financial instruments:			
Interest rate instruments	$ —	$ 1	Interest expense
Pension and PBOP[2]:			
Amortization of prior service cost	$ 1	$ —	Other (expense) income, net
Total, net of income tax	$ 1	$ —	
Total reclassifications for the period, net of income tax	$ 1	$ 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,		
	2025	2024	
Sempra:			
Financial instruments:			
Interest rate instruments	$ (2)	$ (6)	Interest expense
Interest rate instruments	(4)	(15)	Equity earnings[1]
Foreign exchange instruments	1	(5)	Revenues: Energy-related businesses
	1	(1)	Other income, net
Foreign exchange instruments	1	(4)	Equity earnings[1]
Total, before income tax	(3)	(31)	
	1	6	Income tax (expense) benefit
Total, net of income tax	(2)	(25)	
	2	9	Earnings attributable to noncontrolling interests
Total, net of income tax and after NCI	$ —	$ (16)	
Pension and PBOP[2]:			
Amortization of actuarial loss	$ 3	$ 3	Other income, net
Amortization of prior service cost	1	1	Other income, net
Settlement charges	4	9	Other income, net
Total, before income tax	8	13	
	(1)	(4)	Income tax (expense) benefit
Total, net of income tax	$ 7	$ 9	
Total reclassifications for the period, net of income tax and after NCI	$ 7	$ (7)	
SoCalGas:			
Financial instruments:			
Interest rate instruments	$ —	$ 1	Interest expense
Pension and PBOP[2]:			
Amortization of actuarial loss	$ 1	$ —	Other (expense) income, net
Amortization of prior service cost	1	1	Other (expense) income, net
Settlement charges	4	—	Other (expense) income, net
Total, before income tax	6	1	
	(1)	—	Income tax expense
Total, net of income tax	$ 5	$ 1	
Total reclassifications for the period, net of income tax	$ 5	$ 2	

(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, 2025 and 2024, reclassifications out of AOCI to net income were negligible for SDG&E.

PENSION AND PBOP

Special Termination Benefits

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

Net Periodic Benefit Cost

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

NET PERIODIC BENEFIT COST
(Dollars in millions)

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

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

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

OTHER INCOME, NET

Other Income, Net, consists of the following:

OTHER INCOME (EXPENSE), NET
(Dollars in millions)

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

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

INCOME TAXES

We provide our calculations of ETRs in the following table.

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

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

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

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

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

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

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

NOTE 2. NEW ACCOUNTING STANDARDS

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

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

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

ASU 2025-05, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets": ASU 2025-05 amends ASC 326-20 to provide a practical expedient for all entities related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods on a prospective basis. Early adoption is permitted. We are currently evaluating the effect of the standard on our financial reporting and have not yet selected the year in which we will adopt the standard.

NOTE 3. REVENUES

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

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

DISAGGREGATED REVENUES
(Dollars in millions)

		Sempra		
	Sempra California	Sempra Infrastructure	Consolidating adjustments and Parent and other	Sempra
	Three months ended June 30, 2025			
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

	Three months ended June 30, 2024			
By major service line:				
Utilities	$ 2,256	$ 18	$ (5)	$ 2,269
Energy-related businesses	—	234	(19)	215
Revenues from contracts with customers	$ 2,256	$ 252	$ (24)	$ 2,484
By market:				
Gas	$ 1,374	$ 148	$ (4)	$ 1,518
Electric	882	104	(20)	966
Revenues from contracts with customers	$ 2,256	$ 252	$ (24)	$ 2,484
Revenues from contracts with customers	$ 2,256	$ 252	$ (24)	$ 2,484
Utilities regulatory revenues	369	—	—	369
Other revenues	—	157	1	158
Total revenues	$ 2,625	$ 409	$ (23)	$ 3,011

DISAGGREGATED REVENUES (CONTINUED)
(Dollars in millions)

	Sempra			
	Sempra California	Sempra Infrastructure	Consolidating adjustments and Parent and other	Sempra
	Six months ended June 30, 2025			
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

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

DISAGGREGATED REVENUES
(Dollars in millions)

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

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

REVENUES FROM CONTRACTS WITH CUSTOMERS

Remaining Performance Obligations

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

REMAINING PERFORMANCE OBLIGATIONS
(Dollars in millions)

	Sempra[1]	SDG&E
2025 (excluding first six months of 2025)	$ 206	$ 2
2026	289	4
2027	289	4
2028	242	4
2029	215	4
Thereafter	2,133	52
Total revenues to be recognized	$ 3,374	$ 70

(1) *Excludes intercompany transactions.*

Contract Liabilities from Revenues from Contracts with Customers

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

CONTRACT LIABILITIES
(Dollars in millions)

	2025	2024
Sempra:		
Contract liabilities at January 1	$ (196)	$ (198)
Revenue from performance obligations satisfied during reporting period	55	3
Payments received in advance	(1)	(3)
Contract liabilities at June 30[1]	$ (142)	$ (198)
SDG&E:		
Contract liabilities at January 1	$ (72)	$ (75)
Revenue from performance obligations satisfied during reporting period	2	2
Contract liabilities at June 30[2]	$ (70)	$ (73)

(1) *Balances at June 30, 2025 include $52 in Other Current Liabilities and $90 in Deferred Credits and Other.*

(2) *Balances at June 30, 2025 include $4 in Other Current Liabilities and $66 in Deferred Credits and Other.*

Receivables from Revenues from Contracts with Customers

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

RECEIVABLES FROM REVENUES FROM CONTRACTS WITH CUSTOMERS
(Dollars in millions)

	June 30, 2025	December 31, 2024
Sempra:		
Accounts receivable – trade, net[1]	$ 1,441	$ 1,787
Accounts receivable – other, net	14	12
Due from unconsolidated affiliates – current[2]	3	4
Other long-term assets[3]	18	18
Total	$ 1,476	$ 1,821
SDG&E:		
Accounts receivable – trade, net[1]	$ 714	$ 774
Accounts receivable – other, net	8	11
Due from unconsolidated affiliates – current[2]	10	6
Other long-term assets[3]	4	4
Total	$ 736	$ 795
SoCalGas:		
Accounts receivable – trade, net	$ 610	$ 932
Accounts receivable – other, net	6	1
Other long-term assets[3]	14	14
Total	$ 630	$ 947

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

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

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

NOTE 4. REGULATORY MATTERS

REGULATORY ASSETS AND LIABILITIES

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

REGULATORY ASSETS (LIABILITIES)
(Dollars in millions)

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

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

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

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

CPUC GRC

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

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

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

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

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

2024 GRC Track 2

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

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

2024 GRC Track 3

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

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

CPUC COST OF CAPITAL

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

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

AUTHORIZED COST OF CAPITAL

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

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

PROPOSED COST OF CAPITAL FOR 2026 - 2028

SDG&E				SoCalGas		
Authorized weighting	Return on rate base	Weighted return on rate base		Authorized weighting	Return on rate base	Weighted return on rate base
46.00 %	4.62 %	2.13 %	**Long-Term Debt**	45.60 %	5.02 %	2.29 %
—	6.22	—	**Preferred Equity**	2.40	6.00	0.14
54.00	11.25	6.08	**Common Equity**	52.00	11.00	5.72
100.00 %		8.21 %		100.00 %		8.15 %

FERC RATE MATTERS

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

TO5 Settlement

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

TO6 Filing

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

NOTE 5. SEMPRA – INVESTMENTS IN UNCONSOLIDATED ENTITIES

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

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

ONCOR HOLDINGS

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

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

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

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

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

CAMERON LNG JV

In the six months ended June 30, 2025 and 2024, Sempra Infrastructure contributed $1 million and $2 million, respectively, to Cameron LNG JV, and Cameron LNG JV distributed $233 million and $204 million, respectively, to Sempra Infrastructure.

TAG NORTE

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

NOTE 6. SEMPRA – POTENTIAL DIVESTITURES

SEMPRA INFRASTRUCTURE

Assets Held for Sale

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

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

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

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

ASSETS HELD FOR SALE *(Dollars in millions)*	June 30, 2025
Cash and cash equivalents	$ 1
Other current assets	26
Property, plant and equipment, net	241
Other noncurrent assets	5
Total assets held for sale	$ 273
Current liabilities	$ 16
Noncurrent liabilities	21
Total liabilities held for sale[1]	$ 37

(1) *Included in Other Current Liabilities on the Sempra Condensed Consolidated Balance Sheet.*

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

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

Sale of a Portion of our Equity Interest in SI Partners

SI Partners owns non-U.S.-utility energy infrastructure assets, including LNG and natural gas infrastructure in the U.S. and Mexico and renewable energy, liquid petroleum gas and refined products infrastructure in Mexico.

On March 28, 2025, we issued a notice to SI Partners' minority partners, KKR Pinnacle and ADIA, of our intent to pursue a process to sell a portion of our 70% equity interest in SI Partners. We extended the "right of first offer" process that is outlined in the limited partnership agreement and entered into a non-binding letter of intent with KKR Pinnacle. The letter of intent contemplates an equity sale of within or above 15% to 30% of SI Partners' total outstanding interests, depending on valuation and other considerations. Subject to reaching agreement on acceptable pricing and other terms, securing required regulatory and other approvals, finalizing definitive contracts and other factors and considerations, we expect to complete the sale in the second or third quarter of 2026.

NOTE 7. DEBT AND CREDIT FACILITIES

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

SHORT-TERM DEBT

Committed Lines of Credit

At June 30, 2025, Sempra had an aggregate capacity of $9.9 billion under seven primary committed lines of credit, which provide liquidity and support our commercial paper programs. Because our commercial paper programs are supported by some of these lines of credit, we reflect the amount of commercial paper outstanding, before reductions of any unamortized discounts, and any letters of credit outstanding as a reduction to the available unused credit capacity in the following table.

COMMITTED LINES OF CREDIT
(Dollars in millions)

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

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, 2025, each Registrant was in compliance with this ratio under its respective credit facility.

The three lines of credit that are shared by SI Partners and IEnova require that SI Partners maintain a ratio of consolidated adjusted net indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (as defined in each credit facility) of no more than 5.25 to 1.00 at the end of each quarter. At June 30, 2025, SI Partners was in compliance with this ratio.

Uncommitted Line of Credit

ECA LNG Phase 1 has an uncommitted line of credit with an aggregate capacity of $100 million that expires in August 2026. Borrowings are generally used for working capital requirements and can be in U.S. dollars or Mexican pesos. At June 30, 2025, ECA LNG Phase 1 had outstanding borrowings of $4 million, before reductions of any unamortized discounts, in Mexican pesos that bear interest at a variable rate based on the 28-day Interbank Equilibrium Interest Rate plus 154 bps. Borrowings made in U.S. dollars bear interest at a variable rate based on the one-month or three-month SOFR plus 164 bps and a credit adjustment spread of 10 bps.

Uncommitted Letters of Credit

Outside of our domestic and foreign credit facilities, we have bilateral unsecured standby letter of credit capacity with select lenders that is uncommitted and supported by reimbursement agreements. At June 30, 2025, we had $484 million in standby letters of credit outstanding under these agreements.

UNCOMMITTED LETTERS OF CREDIT OUTSTANDING
(Dollars in millions)

	Expiration date range	June 30, 2025
SDG&E	November 2025 - June 2026	$ 21
SoCalGas	October 2025 - October 2026	15
Other Sempra	July 2025 - November 2054	448
Total Sempra		$ 484

Term Loans

SoCalGas

In May 2024, SoCalGas entered into a $500 million, 364-day term loan facility with a maturity date of May 22, 2025, and in December 2024, SoCalGas increased the amount of the term loan to $700 million. SoCalGas borrowed the full $700 million available under the term loan, net of negligible debt issuance costs. The borrowings bore interest at a per annum rate equal to term SOFR, plus 80 bps and a credit adjustment spread of 10 bps. SoCalGas used the proceeds to repay commercial paper and for other general corporate purposes. SoCalGas repaid the term loan in full in May 2025, at which time the term loan facility ceased to be in effect.

Other Sempra

In May 2025, Sempra entered into a $1.25 billion, 364-day term loan facility with a maturity date of 364 days from the initial borrowing date. On July 28, 2025, Sempra borrowed the full $1.25 billion available under the term loan. Sempra may request a further increase in the term loan facility of up to $500 million prior to the maturity date, subject to lender approval. The borrowings bear interest at a per annum rate equal to term SOFR, plus 80 bps and a credit adjustment spread of 10 bps. Sempra intends to use the proceeds for working capital, capital expenditures and other general corporate purposes.

Weighted-Average Interest Rates

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

WEIGHTED-AVERAGE INTEREST RATES

	June 30, 2025	December 31, 2024
Sempra	4.86 %	5.03 %
SDG&E	—	4.76
SoCalGas	4.58	5.02

LONG-TERM DEBT

SDG&E

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

SoCalGas

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

Other Sempra

ECA LNG Phase 1

ECA LNG Phase 1 has a loan agreement with a syndicate of external lenders that was set to mature on December 9, 2025 for an aggregate principal amount of up to $1.3 billion. IEnova and TotalEnergies SE have provided guarantees for repayment of the loan of up to $1,056 million and $262 million, respectively, plus accrued and unpaid interest. The effective interest rate of the loan is based on the interest payments made to external lenders and guarantee payments made to TotalEnergies SE as a guarantor. At June 30, 2025 and December 31, 2024, $1.2 billion and $1.1 billion, respectively, of borrowings from external lenders were outstanding under the loan agreement, with a weighted-average interest rate of 7.28% and 7.29%, respectively. Proceeds from the loan are being used to finance the cost of construction of the ECA LNG Phase 1 project.

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

Port Arthur LNG

Port Arthur LNG has a seven-year term loan facility agreement with a syndicate of lenders that matures on March 20, 2030 for an aggregate principal amount of approximately $6.8 billion. At June 30, 2025 and December 31, 2024, $1.6 billion and $1.1 billion, respectively, of borrowings were outstanding under the loan agreement, with an all-in weighted-average interest rate of 5.44% and 5.33%, respectively. Proceeds from the loan are being used to finance the cost of construction of the PA LNG Phase 1 project.

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

NOTE 8. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

HEDGE ACCOUNTING

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

ENERGY DERIVATIVES

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

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

The following table summarizes net energy derivative volumes.

NET ENERGY DERIVATIVE VOLUMES
(Quantities in millions)

Commodity	Unit of measure	June 30, 2025	December 31, 2024
Sempra:			
Natural gas	MMBtu	881	637
Congestion revenue rights	MWh	22	27
SDG&E:			
Natural gas	MMBtu	22	16
Congestion revenue rights	MWh	22	27
SoCalGas:			
Natural gas	MMBtu	426	347

INTEREST RATE DERIVATIVES

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

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

INTEREST RATE DERIVATIVES
(Dollars in millions)

	June 30, 2025		December 31, 2024	
	Notional amount	Maturities	Notional amount	Maturities
Sempra:				
Cash flow hedges	$ 258	2025-2034	$ 271	2025-2034
Undesignated derivatives[(1)]	3,189	2025-2048	3,189	2025-2048

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

FOREIGN CURRENCY DERIVATIVES

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

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

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

FOREIGN CURRENCY DERIVATIVES
(Dollars in millions)

	June 30, 2025		December 31, 2024	
	Notional amount	Maturities	Notional amount	Maturities
Sempra:				
Foreign currency derivatives	$ 91	2025-2026	$ 162	2025-2026

FINANCIAL STATEMENT PRESENTATION

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

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

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

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

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

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

(1) *Included in Other Current Assets for SDG&E and SoCalGas.*
(2) *Normal purchase contracts previously measured at fair value are excluded.*

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

HEDGE IMPACTS
(Dollars in millions)

	Pretax (loss) gain recognized in OCI			Pretax (loss) gain reclassified from AOCI into earnings	
	Three months ended June 30,			Three months ended June 30,	
	2025	2024	Location	2025	2024
Sempra:					
Cash flow hedges:					
Interest rate instruments	$ (3)	$ 66	Interest expense	$ —	$ 3
Interest rate instruments	(13)	(3)	Equity earnings[1]	(1)	10
Foreign exchange instruments	(5)	11	Revenues: Energy-related businesses	1	2
			Other income, net	(1)	1
Foreign exchange instruments	(5)	10	Equity earnings[1]	1	2
Fair value hedges:					
Foreign exchange instruments	(16)	(7)	Equity earnings[1]	—	—
Total	$ (42)	$ 77		$ —	$ 18
SoCalGas:					
Cash flow hedges:					
Interest rate instruments	$ —	$ —	Interest expense	$ —	$ (1)

	Six months ended June 30,			Six months ended June 30,	
	2025	2024	Location	2025	2024
Sempra:					
Cash flow hedges:					
Interest rate instruments	$ (6)	$ 208	Interest expense	$ 2	$ 6
Interest rate instruments	(33)	25	Equity earnings[1]	4	15
Foreign exchange instruments	(10)	12	Revenues: Energy-related businesses	(1)	5
			Other income, net	(1)	1
Foreign exchange instruments	(9)	10	Equity earnings[1]	(1)	4
Fair value hedges:					
Foreign exchange instruments	(25)	(7)	Equity earnings[1]	—	—
Total	$ (83)	$ 248		$ 3	$ 31
SoCalGas:					
Cash flow hedges:					
Interest rate instruments	$ —	$ —	Interest expense	$ —	$ (1)

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

For Sempra, we expect that net gains before NCI of $4 million, which are net of income tax expense, that are currently recorded in AOCI (with net gains of $3 million attributable to NCI) related to cash flow hedges will be reclassified into earnings during the next 12 months as the hedged items affect earnings. SoCalGas expects that $1 million of losses, net of income tax benefit, that are currently recorded in AOCI related to cash flow hedges will be reclassified into earnings during the next 12 months as the hedged items affect earnings. Actual amounts ultimately reclassified into earnings depend on the interest rates and foreign currency rates in effect when derivative contracts mature.

At June 30, 2025, the maximum length of time over which Sempra is hedging its exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, is approximately one year.

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

UNDESIGNATED DERIVATIVE IMPACTS
(Dollars in millions)

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

CREDIT RISK RELATED CONTINGENT FEATURES

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

For Sempra, the total fair value of this group of derivative instruments in a liability position at June 30, 2025 and December 31, 2024 was $113 million and $122 million, respectively. For SDG&E, the total fair value of this group of derivative instruments in a liability position was negligible at both June 30, 2025 and December 31, 2024. For SoCalGas, the total fair value of this group of derivative instruments in a liability position at June 30, 2025 and December 31, 2024 was $32 million and $42 million, respectively. At June 30, 2025, if the credit ratings of Sempra or SoCalGas were reduced below investment grade, $113 million, and $32 million, respectively, of additional assets could be required to be posted as collateral for these derivative contracts.

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

NOTE 9. FAIR VALUE MEASUREMENTS

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

RECURRING FAIR VALUE MEASURES

The tables below set forth our financial assets and liabilities, by level within the fair value hierarchy, that were accounted for at fair value on a recurring basis at June 30, 2025 and December 31, 2024. We classify financial assets and liabilities in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair-valued assets and liabilities and their placement within the fair value hierarchy. We have not changed the valuation techniques or types of inputs we use to measure recurring fair value since December 31, 2024.

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

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

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

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

	Level 1	Level 2	Level 3	Netting[1]	Total
	Fair value at December 31, 2024				
Sempra:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	$ 8	$ 2	$ —		$ 10
Equity securities	295	3	—		298
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	41	26	—		67
Municipal bonds	—	287	—		287
Other securities	—	228	—		228
Total debt securities	41	541	—		582
Total nuclear decommissioning trusts[2]	344	546	—		890
Short-term investments held in Rabbi Trust	64	—	—		64
Support Agreement, net of related guarantee fees	—	—	25		25
Interest rate instruments	—	293	—	$ —	293
Foreign exchange instruments	—	5	—	—	5
Commodity contracts not subject to rate recovery	—	39	—	2	41
Commodity contracts subject to rate recovery	6	1	4	18	29
Total	$ 414	$ 884	$ 29	$ 20	$ 1,347
Liabilities:					
Commodity contracts not subject to rate recovery	$ 1	$ 63	$ —	$ (38)	$ 26
Commodity contracts subject to rate recovery	20	45	—	(21)	44
Total	$ 21	$ 108	$ —	$ (59)	$ 70

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

(2) *Excludes receivables (payables), net.*

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

	Level 1	Level 2	Level 3	Netting[1]	Total
	Fair value at December 31, 2024				
SDG&E:					
Assets:					
Nuclear decommissioning trusts:					
Short-term investments, primarily cash equivalents	$ 8	$ 2	$ —		$ 10
Equity securities	295	3	—		298
Debt securities:					
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	41	26	—		67
Municipal bonds	—	287	—		287
Other securities	—	228	—		228
Total debt securities	41	541	—		582
Total nuclear decommissioning trusts[2]	344	546	—		890
Commodity contracts subject to rate recovery	4	—	4	$ 17	25
Total	$ 348	$ 546	$ 4	$ 17	$ 915
Liabilities:					
Commodity contracts subject to rate recovery	$ 18	$ 1	$ —	$ (18)	$ 1

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

(2) Excludes receivables (payables), net.

RECURRING FAIR VALUE MEASURES *(Dollars in millions)*	Level 1	Level 2	Level 3	Netting[1]	Total
	Fair value at June 30, 2025				
SoCalGas:					
Assets:					
Commodity contracts subject to rate recovery	$ 1	$ 20	$ —	$ (18)	$ 3
Liabilities:					
Commodity contracts subject to rate recovery	$ 1	$ 51	$ —	$ (20)	$ 32
	Fair value at December 31, 2024				
SoCalGas:					
Assets:					
Commodity contracts subject to rate recovery	$ 2	$ 1	$ —	$ 1	$ 4
Liabilities:					
Commodity contracts subject to rate recovery	$ 2	$ 44	$ —	$ (3)	$ 43

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

Level 3 Information

SDG&E

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

LEVEL 3 RECONCILIATIONS[1] *(Dollars in millions)*	Three months ended June 30,	
	2025	2024
Balance at April 1	$ 4	$ 9
Realized and unrealized gains (losses), net	(1)	(2)
Allocated transmission instruments	1	—
Settlements	(1)	(1)
Balance at June 30	$ 3	$ 6
Change in unrealized losses relating to instruments still held at June 30	$ (1)	$ (1)

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

[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, were in the following ranges for the years indicated below:

CONGESTION REVENUE RIGHTS AUCTION PRICE INPUTS

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

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

Other Sempra

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

LEVEL 3 RECONCILIATIONS
(Dollars in millions)

	Three months ended June 30,	
	2025	2024
Balance at April 1	$ 38	$ 23
Realized and unrealized gains (losses), net[1]	3	2
Settlements	(2)	(2)
Balance at June 30[2]	$ 39	$ 23
Change in unrealized gains relating to instruments still held at June 30	$ 3	$ 2

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

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

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

The fair value of the Support Agreement, net of related guarantee fees, is based on a discounted cash flow model using a probability of default and survival methodology. Our estimate of fair value considers inputs such as third-party default rates, credit ratings, recovery rates, and risk-adjusted discount rates, which may be readily observable, market corroborated or generally unobservable inputs. Because CFIN's credit rating and related default and survival rates are unobservable inputs that are significant to the valuation, the Support Agreement, net of related guarantee fees, is classified as Level 3. We assigned CFIN an internally developed credit rating of A2 and A3 at June 30, 2025, and 2024, respectively, and relied on default rate data published by Moody's to assign a probability of default. A hypothetical change in the credit rating up or down one notch could result in a significant change in the fair value of the Support Agreement.

Fair Value of Financial Instruments

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

FAIR VALUE OF FINANCIAL INSTRUMENTS
(Dollars in millions)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			June 30, 2025		
Sempra:					
Long-term note receivable[1]	$ 359	$ —	$ —	$ 347	$ 347
Long-term amounts due to unconsolidated affiliates	359	—	341	—	341
Total long-term debt[2]	35,409	—	32,665	—	32,665
SDG&E:					
Total long-term debt[3]	$ 9,800	$ —	$ 8,652	$ —	$ 8,652
SoCalGas:					
Total long-term debt[4]	$ 8,109	$ —	$ 7,691	$ —	$ 7,691
			December 31, 2024		
Sempra:					
Long-term note receivable[1]	$ 351	$ —	$ —	$ 334	$ 334
Long-term amounts due to unconsolidated affiliates	352	—	324	—	324
Total long-term debt[2]	32,899	—	30,193	—	30,193
SDG&E:					
Total long-term debt[3]	$ 8,950	$ —	$ 7,760	$ —	$ 7,760
SoCalGas:					
Total long-term debt[4]	$ 7,359	$ —	$ 6,880	$ —	$ 6,880

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

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

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

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

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

NOTE 10. SEMPRA – EQUITY AND EARNINGS PER COMMON SHARE

COMMON STOCK OFFERINGS

ATM Program

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

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

We intend to use a substantial portion of the net proceeds we receive from the issuance and sale by us of any shares of our common stock to or through the agents and any net proceeds we receive through the settlement of any forward sale agreements with the forward purchasers for working capital and other general corporate purposes, including to partly finance our long-term capital plan and to repay outstanding commercial paper and potentially other indebtedness. At June 30, 2025, approximately $2.6 billion of common stock remained available for sale under the ATM program, which reflects the forward sale agreements that we describe below.

Forward Sale Agreements

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

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

In the first quarter of 2025, we entered into a forward sale agreement under the ATM program with Wells Fargo Bank, N.A. as forward purchaser. From time to time during the quarter at our instruction, the forward purchaser borrowed, and an affiliate of the forward purchaser sold, 2,087,317 shares of Sempra common stock under this agreement. At the initial forward price of $70.6593 per share, the proceeds from this forward sale agreement if we elect full physical settlement would be approximately $147 million (net of sales commissions of approximately $1.3 million, but before deducting equity issuance costs, and subject to certain adjustments pursuant to the forward sale agreements). At June 30, 2025, a total of 2,087,317 shares of Sempra common stock remain subject to future settlement under this forward sale agreement, which may be settled on one or more dates specified by us no later than March 31, 2027.

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

COMMON STOCK REPURCHASES

In the six months ended June 30, 2025 and 2024, we withheld 678,705 shares for $58 million and 555,888 shares for $40 million, respectively, of our common stock that would otherwise be issued to long-term incentive plan participants who do not elect otherwise upon the vesting of RSUs and exercise of stock options in an amount sufficient to satisfy minimum statutory tax withholding requirements. Such share withholding is considered a share repurchase for accounting purposes.

NONCONTROLLING INTERESTS

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

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

SI Partners Subsidiaries

Both SI Partners and ConocoPhillips have provided guarantees relating to their respective affiliate's commitment to make its pro rata equity share of capital contributions to fund 110% of the development budget of the PA LNG Phase 1 project, in an aggregate amount of up to $9.0 billion. SI Partners' guarantee covers 70% of this amount plus enforcement costs of its guarantee. As of June 30, 2025, an aggregate amount of $2.7 billion has been paid by SI Partners' subsidiary in satisfaction of its commitment to fund its portion of the development budget of the PA LNG Phase 1 project.

EARNINGS PER COMMON SHARE

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

EARNINGS PER COMMON SHARE COMPUTATIONS
(Dollars in millions, except per share amounts; shares in thousands)

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

(1) *Includes 499 and 610 fully vested RSUs held in our Deferred Compensation Plan for the three months ended June 30, 2025 and 2024, respectively, and 507 and 617 of such RSUs for the six months ended June 30, 2025 and 2024, respectively. These fully vested RSUs are included in weighted-average common shares outstanding for basic EPS because there are no conditions under which the corresponding shares will not be issued.*

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

The potentially dilutive impact from stock options and RSUs is calculated under the treasury stock method. Under this method, proceeds based on the exercise price and unearned compensation are assumed to be used to repurchase shares on the open market at the average market price for the period, reducing the number of potential new shares to be issued and sometimes causing an antidilutive effect. The computation of diluted EPS for the three months and six months ended June 30, 2025 excludes 1,376,618 and 949,450 potentially dilutive shares, respectively, and the computation of diluted EPS for the three months and six months ended June 30, 2024 excludes 1,184,115 and 1,270,327 potentially dilutive shares, respectively, because to include them would be antidilutive for the period. However, these shares could potentially dilute basic EPS in the future.

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

Pursuant to Sempra's share-based compensation plans, the Compensation and Talent Development Committee of Sempra's board of directors granted 303,614 nonqualified stock options, 628,413 performance-based RSUs and 260,012 service-based RSUs in the six months ended June 30, 2025, primarily in January.

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

NOTE 11. SAN ONOFRE NUCLEAR GENERATING STATION

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

NUCLEAR DECOMMISSIONING AND FUNDING

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

In accordance with state and federal requirements and regulations, SDG&E has assets held in the NDT to fund its share of decommissioning costs for SONGS Units 1, 2 and 3. Amounts that were collected in rates for SONGS' decommissioning are invested in the NDT, which is comprised of externally managed trust funds. Amounts held by the NDT are invested in accordance with CPUC regulations. SDG&E classifies debt and equity securities held in the NDT as available-for-sale. The NDT assets are presented on the 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 2025, the CPUC granted SDG&E authorization to access NDT funds of up to $66 million for forecasted 2025 costs.

Nuclear Decommissioning Trusts

The following table shows the fair values and gross unrealized gains and losses for the securities held in the NDT on the 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, 2025			
Short-term investments, primarily cash equivalents	$ 16	$ —	$ —	$ 16
Equity securities	69	218	(2)	285
Debt securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies[1]	48	2	(1)	49
Municipal bonds[2]	302	1	(9)	294
Other securities[3]	246	4	(4)	246
Total debt securities	596	7	(14)	589
Receivables (payables), net	(12)	—	—	(12)
Total	$ 669	$ 225	$ (16)	$ 878
	December 31, 2024			
Short-term investments, primarily cash equivalents	$ 10	$ —	$ —	$ 10
Equity securities	78	223	(3)	298
Debt securities:				
Debt securities issued by the U.S. Treasury and other U.S. government corporations and agencies	67	1	(1)	67
Municipal bonds	295	1	(9)	287
Other securities	234	2	(8)	228
Total debt securities	596	4	(18)	582
Receivables (payables), net	(15)	—	—	(15)
Total	$ 669	$ 227	$ (21)	$ 875

(1) *Maturity dates are 2025-2055.*

(2) *Maturity dates are 2025-2065.*

(3) *Maturity dates are 2025-2070.*

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

SALES OF SECURITIES IN THE NUCLEAR DECOMMISSIONING TRUSTS
(Dollars in millions)

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

Net unrealized gains and losses, as well as realized gains and losses that are reinvested in the NDT, are included in noncurrent Regulatory Liabilities on 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 $451 million at June 30, 2025 and is based on a cost study prepared in 2024, which is pending CPUC approval.

NOTE 12. COMMITMENTS, CONTINGENCIES AND GUARANTEES

LEGAL PROCEEDINGS

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

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

SDG&E

City of San Diego Franchise Agreements

In 2021, two lawsuits were filed in the California Superior Court challenging various aspects of the natural gas and electric franchise agreements granted by the City of San Diego to SDG&E. Both lawsuits ultimately sought to void the franchise agreements.

Pending. In one of the cases, the court ruled in favor of SDG&E and the City of San Diego, upholding all terms of the franchise agreements, except for the two-thirds City Council vote requirement for termination if the City decides to terminate under certain circumstances. Under the court's ruling, the City can instead terminate on a majority vote, so long as it satisfies repayment provisions under the franchise agreements. Both sides have appealed the ruling.

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

SoCalGas

Aliso Canyon Natural Gas Storage Facility Gas Leak

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

In 2022, SoCalGas paid $1.79 billion under a settlement agreement that resolved the lawsuits of over 99% of the approximately 36,000 individual plaintiffs with lawsuits then-pending against SoCalGas and Sempra related to the Leak. As of August 4, 2025, there are approximately eight outstanding plaintiffs who have not entered into a settlement agreement.

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

Other Sempra

Energía Costa Azul

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

Land Disputes.

- **Pending** - Sempra Infrastructure has been engaged in a long-running land dispute with a claimant relating to property adjacent to its ECA Regas Facility that allegedly overlaps with land owned by the ECA Regas Facility (the facility, however, is not situated on the land that is the subject of this dispute). The claimant to the adjacent property filed suit to reinitiate an administrative procedure at SEDATU to obtain the property title for the disputed property that had previously been issued in a ruling by the federal Agrarian Court and subsequently reversed by a federal court in Mexico. In April 2021, the proceeding in the Agrarian Court concluded with the court ordering that the administrative procedure be restarted. The administrative procedure at SEDATU may continue if SEDATU decides to reopen the matter.
- **Resolved** - In addition, a plaintiff filed a claim in the federal Agrarian Court that seeks to annul the property title for a portion of the land on which the ECA Regas Facility is situated and to obtain possession of a different parcel that allegedly overlaps with the site of the ECA Regas Facility. The proceeding, which seeks an order that SEDATU annul the ECA Regas Facility's competing property title, was initiated in 2006 and, in July 2021, a decision was issued in favor of the ECA Regas Facility. The plaintiff appealed and, in February 2022, the appellate court confirmed the ruling in favor of the ECA Regas Facility and dismissed the appeal. The plaintiff filed a federal appeal against the appellate court ruling. In August 2024, the Federal Collegiate Circuit Court ruled in favor of the ECA Regas Facility. The plaintiff filed an appeal and, in May 2025, the Mexican Supreme Court dismissed the appeal, definitively resolving this matter.

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

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

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

Port Arthur LNG

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

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

We have an EPC contract with Bechtel to construct the PA LNG Phase 1 project. Under the EPC contract, Bechtel has full custody and control of the site during the construction period. OSHA opened inspections with respect to Bechtel and Sempra Infrastructure, but has released the site. Bechtel is continuing construction of the PA LNG Phase 1 project while the cause of the incident remains under investigation.

In connection with the incident, as of August 4, 2025, there are two complaints outstanding on behalf of 17 plaintiffs in the 172nd Judicial District Court in Jefferson County, Texas and the 295th Judicial District Court in Harris County, Texas. A complaint filed in the 60th Judicial District Court in Jefferson County, Texas was dismissed without prejudice following the plaintiff's intervention in the proceeding in the 172nd Judicial District Court in Jefferson County, Texas. The complaints collectively name as defendants Port Arthur LNG, SI Partners, Sempra and/or other Sempra affiliates, Bechtel and/or Bechtel Corporation, among others. The complaints assert negligence and gross negligence and additional causes of action for wrongful death, survival and bystander claims. The complaints seek compensatory and punitive damages, lost wages and attorneys' fees.

Additionally, the plaintiffs in the complaints filed in the 172nd and 295th Judicial District Courts sought TROs, which were granted and denied, respectively. The 172nd Judicial District Court's TRO was dissolved in June 2025 by agreement of the parties.

We believe we are entitled to indemnification from Bechtel under Port Arthur LNG's EPC contract with Bechtel with respect to this incident.

Litigation Related to Regulatory and Other Actions by the Mexican Government

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

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

Ordinary Course Litigation

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

LEASES

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

Lessee Accounting

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

Leases That Have Not Yet Commenced

Since December 31, 2024, SDG&E has adjusted the expected commencement dates of four PPAs to: two commencing in 2025, one commencing in 2027 and one commencing in 2028. SDG&E expects the future minimum lease payments to be $18 million in 2025, $36 million in each of 2026 and 2027, $41 million in 2028, $43 million in 2029 and $471 million thereafter (through expiration in 2043).

Lessor Accounting

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

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

LESSOR INFORMATION ON THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sempra – Sales-type leases:				
Interest income	$ 1	$ 2	$ 2	$ 3
Total revenues from sales-type leases[1]	$ 1	$ 2	$ 2	$ 3
Sempra – Operating leases:				
Fixed lease payments	$ 90	$ 87	$ 176	$ 176
Variable lease payments	6	10	11	20
Total revenues from operating leases[1]	$ 96	$ 97	$ 187	$ 196
Depreciation expense	$ 17	$ 18	$ 35	$ 36

[1] *Included in Revenues: Energy-Related Businesses on the Condensed Consolidated Statements of Operations.*

CONTRACTUAL COMMITMENTS

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

LNG Purchase Agreement

Sempra Infrastructure has an SPA for the supply of LNG to the ECA Regas Facility. The commitment amount is calculated using a predetermined formula based on estimated forward prices of the index applicable from 2025 through 2029. Although this agreement specifies a number of cargoes to be delivered, under its terms, the supplier may divert certain cargoes, which would reduce amounts paid under the agreement by Sempra Infrastructure. At June 30, 2025, we expect the commitment amount to decrease by $155 million in 2025, increase by $61 million in 2026 and $21 million in 2027, and decrease by $9 million in 2028 and $6 million in 2029 compared to December 31, 2024, reflecting changes in estimated forward prices since December 31, 2024 and actual transactions for the first six months of 2025. These LNG commitment amounts are based on the assumption that all LNG cargoes under the agreement are delivered, less those already confirmed to be diverted as of June 30, 2025. Actual LNG purchases in the current and prior years have been significantly lower than the maximum amount provided under the agreement due to the supplier electing to divert cargoes as allowed by the agreement.

ENVIRONMENTAL ISSUES

We disclose any proceeding under environmental laws to which a government authority is a party when the potential monetary sanctions, exclusive of interest and costs, exceed the lesser of $1 million or 1% of current assets, which was $42 million for Sempra, $15 million for SDG&E and $13 million for SoCalGas at June 30, 2025.

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 $17 million at June 30, 2025, for the fair value of the promissory note, which is being reduced over the duration of the guarantee through 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.

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 a 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; and
- the Support Agreement will terminate upon full repayment of the bank debt, including repayment following an event in which the bank debt is put to 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, 2025, the fair value of the Support Agreement was $39 million, of which $8 million is included in Other Current Assets and $31 million is included in Other Long-Term Assets on Sempra's Condensed Consolidated Balance Sheet.

SI Partners Credit Support Agreement

In February 2025, SI Partners entered into a 15-month credit support agreement with a third-party financial institution related to a customer's secured borrowing for repayment of its past due account balance owed to SI Partners. At June 30, 2025, SI Partners' maximum exposure to loss under this off-balance sheet arrangement is $82 million.

NOTE 13. SEGMENT INFORMATION

SEMPRA

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

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

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

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

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

SEGMENT INFORMATION
(Dollars in millions)

	June 30, 2025	December 31, 2024
ASSETS		
Sempra California	$ 57,910	$ 56,116
Sempra Texas Utilities	16,540	15,534
Sempra Infrastructure	25,282	22,954
Segment totals	99,732	94,604
Parent and other	1,234	2,622
Intersegment eliminations[1]	(1,059)	(1,071)
Total Sempra	$ 99,907	$ 96,155
EQUITY METHOD INVESTMENTS		
Sempra Texas Utilities	$ 16,527	$ 15,522
Sempra Infrastructure	2,460	2,411
Segment totals/Total Sempra	$ 18,987	$ 17,933

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
EQUITY EARNINGS				
Equity earnings, before income tax:				
Sempra Texas Utilities	$ 1	$ 2	$ 3	$ 4
Sempra Infrastructure	168	158	307	290
Segment totals	169	160	310	294
Equity earnings, net of income tax:				
Sempra Texas Utilities	209	202	355	385
Sempra Infrastructure	15	71	53	102
Segment totals	224	273	408	487
Total Sempra	$ 393	$ 433	$ 718	$ 781
CAPITAL EXPENDITURES FOR PROPERTY, PLANT AND EQUIPMENT				
Sempra California			$ 2,315	$ 2,212
Sempra Infrastructure			2,322	1,617
Segment totals			4,637	3,829
Parent and other			3	1
Total Sempra			$ 4,640	$ 3,830

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

SEGMENT INFORMATION (CONTINUED)

(Dollars in millions)

	Sempra California	Sempra Texas Utilities[1]	Sempra Infrastructure	Sempra
	Three months ended June 30, 2025			
Revenues	$ 2,490		$ 530	
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]	(1,419)	(2)	(297)	
Segment earnings attributable to common shares	$ 259	$ 208	$ 72	$ 539
Parent and other				(78)
Earnings attributable to common shares				$ 461

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

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

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

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

SEGMENT INFORMATION (CONTINUED)

(Dollars in millions)

	Sempra California	Sempra Texas Utilities[1]	Sempra Infrastructure	Sempra
	Six months ended June 30, 2025			
Revenues	$ 5,891		$ 956	
Depreciation and amortization	(1,136)		(154)	
Interest income	5		24	
Interest expense[2]	(453)		(71)	
Income tax expense	(65)		(253)	
Equity earnings	—	$ 358	360	
Earnings attributable to noncontrolling interests	—	—	(48)	
Other segment items[3]	(3,259)	(4)	(596)	
Segment earnings attributable to common shares	$ 983	$ 354	$ 218	$ 1,555
Parent and other				(188)
Earnings attributable to common shares				$ 1,367

	Six months ended June 30, 2024			
Revenues	$ 5,766		$ 928	
Depreciation and amortization	(1,049)		(145)	
Interest income	8		12	
Interest expense	(414)		—	
Income tax (expense) benefit	(127)		24	
Equity earnings	—	$ 389	392	
Earnings attributable to noncontrolling interests	—	—	(215)	
Other segment items[3]	(3,286)	(4)	(574)	
Segment earnings attributable to common shares	$ 898	$ 385	$ 422	$ 1,705
Parent and other				(191)
Earnings attributable to common shares				$ 1,514

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

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

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

The following table presents revenues by services by segment, reconciled to 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, 2025			Three months ended June 30, 2024		
Revenues from external customers:						
Utilities	$ 2,442	$ 18		$ 2,251	$ 18	
Energy-related businesses	—	240		—	214	
Total revenues from external customers[1]	2,442	258	$ 2,700	2,251	232	$ 2,483
Other revenues[2]:						
Utilities	41	—		369	—	
Energy-related businesses	—	259		—	158	
Total other revenues	41	259	300	369	158	527
Intersegment revenues[3]:						
Utilities	7	—		5	—	
Energy-related businesses	—	13		—	19	
Total intersegment revenues	7	13	20	5	19	24
Segment revenues	$ 2,490	$ 530	3,020	$ 2,625	$ 409	3,034
Adjustments			—			1
Intersegment eliminations			(20)			(24)
Revenues			$ 3,000			$ 3,011

	Six months ended June 30, 2025			Six months ended June 30, 2024		
Revenues from external customers:						
Utilities	$ 5,899	$ 44		$ 5,725	$ 48	
Energy-related businesses	—	438		—	408	
Total revenues from external customers[1]	5,899	482	$ 6,381	5,725	456	$ 6,181
Other revenues[2]:						
Utilities	(21)	—		31	—	
Energy-related businesses	—	442		—	439	
Total other revenues	(21)	442	421	31	439	470
Intersegment revenues[3]:						
Utilities	13	—		10	—	
Energy-related businesses	—	32		—	33	
Total intersegment revenues	13	32	45	10	33	43
Segment revenues	$ 5,891	$ 956	6,847	$ 5,766	$ 928	6,694
Intersegment eliminations			(45)			(43)
Revenues			$ 6,802			$ 6,651

(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.

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

Total assets at SDG&E were $31.9 billion and $30.8 billion at June 30, 2025 and December 31, 2024, respectively. The following table presents selected information for SDG&E's single segment and reconciliation of earnings attributable to common shares.

SEGMENT INFORMATION
(Dollars in millions)

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

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

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

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

SOCALGAS

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

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

Total assets at SoCalGas were $26.1 billion and $25.4 billion at June 30, 2025 and December 31, 2024, respectively. The following table presents selected information for SoCalGas' single segment and reconciliation of earnings attributable to common shares.

SEGMENT INFORMATION
(Dollars in millions)

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

(1) *SoCalGas did not have revenues from transactions with a single external customer that amounted to 10% or more of its total revenues.*
(2) *See "Revenues from Sources Other Than Contracts with Customers" in Note 3 of the Notes to Consolidated Financial Statements in the Annual Report for a description of this revenue source, which may be additive or subtractive from period to period.*
(3) *Includes cost of natural gas, O&M, franchise fees and other taxes, other income (expense), net, and preferred dividends.*

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

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OVERVIEW

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

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

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

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

- Sempra California
- Sempra Texas Utilities
- Sempra Infrastructure

SDG&E and SoCalGas each has one reportable segment.

RESULTS OF OPERATIONS BY REGISTRANT

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

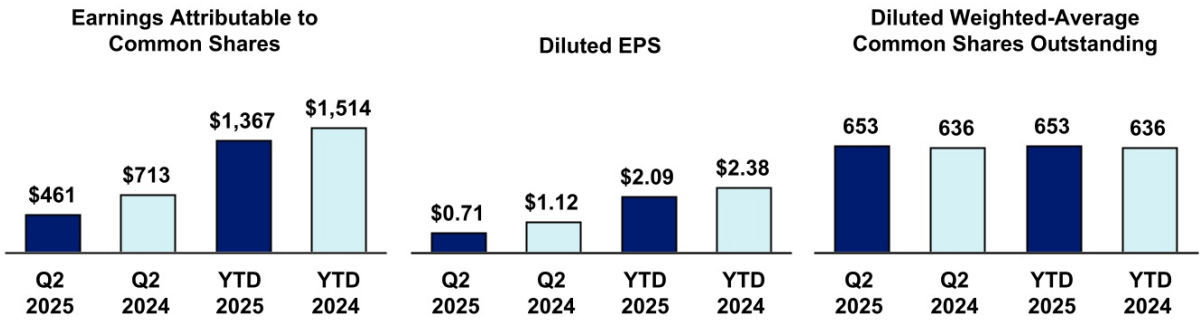
SEMPRA

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

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

RESULTS OF OPERATIONS

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



EARNINGS BY SEGMENT *(Dollars in millions)*	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sempra:				
Sempra California	$ 259	$ 316	$ 983	$ 898
Sempra Texas Utilities	208	202	354	385
Sempra Infrastructure	72	291	218	422
Segment earnings attributable to common shares	539	809	1,555	1,705
Parent and other	(78)	(96)	(188)	(191)
Earnings attributable to common shares	$ 461	$ 713	$ 1,367	$ 1,514

Sempra California

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

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

- $25 million from disallowed regulatory recovery of COVID-19 costs
- $20 million lower income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $17 million higher net interest expense
- $16 million lower CPUC base operating margin, net of operating expenses including higher depreciation and $9 million lower authorized cost of capital. In the first three quarters of 2024, Sempra California recorded CPUC-authorized base revenues based on 2023 authorized levels

Offset by:

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

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

- $72 million higher CPUC base operating margin, net of operating expenses including higher depreciation and $22 million lower authorized cost of capital. In the first three quarters of 2024, Sempra California recorded CPUC-authorized base revenues based on 2023 authorized levels
- $42 million higher income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $10 million regulatory award approved by the CPUC in 2025
- $4 million higher net regulatory interest income
- $3 million higher electric transmission margin
- $3 million higher AFUDC equity

Offset by:

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

Sempra Texas Utilities

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

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

  Offset by:
  - lower customer consumption primarily attributable to weather

Offset by:

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

In the six months ended June 30, 2025 compared to the same period in 2024, the decrease in earnings of $31 million (8%) was primarily due to lower equity earnings from Oncor Holdings driven by:

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

Offset by:

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

  Offset by:
  - decreases in transmission billing units

Sempra Infrastructure

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

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

Offset by:

- $46 million from asset and supply optimization driven by unrealized gains in 2025 compared to unrealized losses in 2024 on commodity derivatives due to changes in natural gas prices and higher LNG diversion fees
- $9 million higher revenues driven by satisfaction of performance obligations related to customer payments received in advance from a contract modification in December 2024 on an LNG storage and regasification agreement

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

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

Offset by:

- $17 million higher revenues driven by satisfaction of performance obligations related to customer payments received in advance from a contract modification in December 2024 on an LNG storage and regasification agreement
- $16 million lower O&M in 2025 from lower provisions for expected credit losses
- $10 million interest income from a change in the fair value of the Support Agreement
- $7 million higher revenues due to the commencement of commercial operations at Topolobampo marine terminal in June 2024

Parent and Other

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

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

Offset by:

- $23 million higher net interest expense

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

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

Offset by:

- $40 million higher net interest expense

SIGNIFICANT CHANGES IN REVENUES AND COSTS

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

Utilities: Natural Gas Revenues and Cost of Natural Gas

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

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

UTILITIES: NATURAL GAS REVENUES AND COST OF NATURAL GAS
(Dollars in millions)

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

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

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

- $97 million lower revenues associated with refundable programs, which are fully offset in O&M
- $70 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- $29 million lower revenues from disallowed regulatory recovery of COVID-19 costs
- $7 million lower regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $3 million lower revenues associated with impacts resulting from changes in tax laws tracked in the income tax expense memorandum account

Offset by:

- $129 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $8 million lower authorized cost of capital
- $45 million increase in cost of natural gas sold, which we discuss below
- $14 million regulatory award approved by the CPUC in 2025

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

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

- $308 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $21 million lower authorized cost of capital
- $66 million higher revenues associated with refundable programs, which are fully offset in O&M
- $45 million higher regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $14 million regulatory award approved by the CPUC in 2025

Offset by:

- $141 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- $29 million lower revenues from disallowed regulatory recovery of COVID-19 costs
- $14 million decrease in cost of natural gas sold, which we discuss below
- $11 million lower revenues associated with impacts resulting from changes in tax laws tracked in the income tax expense memorandum account

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

- $25 million lower volumes driven by weather

Offset by:

- $11 million higher average natural gas prices

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

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

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

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

UTILITIES: ELECTRIC REVENUES AND COST OF ELECTRIC FUEL AND PURCHASED POWER
(Dollars in millions)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sempra:				
Electric revenues:				
Sempra California	$ 1,032	$ 1,145	$ 2,092	$ 2,202
Eliminations and adjustments	(1)	(1)	(2)	(2)
Total	$ 1,031	$ 1,144	$ 2,090	$ 2,200
Cost of electric fuel and purchased power[(1)]:				
Sempra California	$ 106	$ 175	$ 179	$ 282
Eliminations and adjustments	(15)	(19)	(36)	(37)
Total	$ 91	$ 156	$ 143	$ 245

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

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

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

Offset by:

- $7 million higher revenues from transmission operations

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

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

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

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

Offset by:

- $47 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $9 million lower authorized cost of capital
- $14 million higher revenues from incremental and balanced capital projects offset by certain projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- $13 million higher revenues from transmission operations

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

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

Offset by:

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

Energy-Related Businesses: Revenues and Cost of Sales

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sempra:				
Revenues:				
Sempra Infrastructure	$ 512	$ 391	$ 912	$ 880
Parent and other[1]	(13)	(18)	(32)	(32)
Total	$ 499	$ 373	$ 880	$ 848
Cost of sales[2]:				
Sempra Infrastructure	$ 85	$ 54	$ 204	$ 163

[1] *Includes eliminations of intercompany activity.*

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

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

- $104 million from asset and supply optimization from contracts to sell natural gas and LNG to third parties, including:
  - $60 million from $48 million unrealized gains in 2025 compared to $12 million unrealized losses in 2024 on commodity derivatives
  - $25 million primarily from higher natural gas prices
  - $12 million primarily from higher diversion fees due to higher natural gas prices
- $18 million higher revenues driven by satisfaction of performance obligations related to customer payments received in advance from a contract modification in December 2024 on an LNG storage and regasification agreement

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

Offset by:

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

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

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

- $35 million higher revenues driven by satisfaction of performance obligations related to customer payments received in advance from a contract modification in December 2024 on an LNG storage and regasification agreement
- $14 million higher revenues in 2025 due to the commencement of commercial operations at the Topolobampo marine terminal in June 2024
- $12 million from asset and supply optimization from contracts to sell natural gas and LNG to third parties, including:
  - $23 million from higher natural gas prices offset by lower volumes
  - $15 million lower unrealized losses on commodity derivatives
  - $12 million primarily from higher diversion fees due to higher natural gas prices

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

Offset by:

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

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

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

Offset by:

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

Operation and Maintenance

OPERATION AND MAINTENANCE
(Dollars in millions)

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

(1) Includes eliminations of intercompany activity.

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

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

  Offset by:
  - $19 million higher non-refundable operating costs

Offset by:

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

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

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

Offset by:

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

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

Other Income, Net

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

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

Offset by:

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

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

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

Offset by:

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

Interest Income

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

Interest Expense

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

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

Offset by:

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

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

- $71 million at Sempra Infrastructure primarily from $56 million in unrealized losses in 2025 on interest rate swaps related to the PA LNG Phase 1 project
- $65 million at Parent and other from higher debt balances from debt issuances offset by lower borrowings on commercial paper and higher capitalization of interest expense on projects under construction at Sempra Infrastructure
- $39 million at Sempra California from higher debt balances from debt issuances

Income Taxes

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Sempra:				
Income tax expense (benefit)	$ 172	$ (130)	$ 229	$ 42
Income before income taxes and equity earnings	$ 298	$ 308	$ 949	$ 1,013
Equity earnings, before income tax[(1)]	169	160	310	294
Pretax income	$ 467	$ 468	$ 1,259	$ 1,307
Effective income tax rate	37 %	(28)%	18 %	3 %

(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, 2025 compared to the same period in 2024, Sempra had an income tax expense in 2025 compared to an income tax benefit in 2024 primarily due to:

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

Offset by:

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

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

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

Offset by:

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

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

Equity Earnings

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

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

Offset by:

- $10 million at Cameron LNG JV primarily from higher maintenance revenues and lower interest expense
- $7 million at Oncor Holdings driven by:
  - overall higher revenues primarily attributable to:
    - rate updates to reflect increases in invested capital
    - increase due to Oncor's SRP and the establishment of the UTM
    - customer growth

    Offset by:
    - lower customer consumption primarily attributable to weather

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

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

- $50 million at IMG due to income tax expense in 2025 compared to an income tax benefit in 2024 primarily from foreign currency and inflation effects
- $30 million at Oncor Holdings driven by:
  - higher interest expense and depreciation expense associated with increases in invested capital
  - higher O&M

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

    Offset by:
    - decreases in transmission billing units

Offset by:

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

Earnings Attributable to Noncontrolling Interests

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

In the six months ended June 30, 2025 compared to the same period in 2024, Sempra's earnings attributable to NCI decreased by $167 million to $48 million primarily due to a decrease in SI Partners subsidiaries' net income driven by foreign currency and inflation effects on our monetary positions in Mexico and unrealized losses in 2025 from interest rate swaps related to the PA LNG Phase 1 project.

IMPACT OF FOREIGN CURRENCY AND INFLATION RATES ON RESULTS OF OPERATIONS

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

Foreign Currency Translation

Any difference in average exchange rates used for the translation of income statement activity from year to year can cause a variance in Sempra's comparative results of operations. In the three months and six months ended June 30, 2025 compared to the same periods in 2024, the change in our earnings as a result of foreign currency translation rates was negligible.

Transactional Impacts

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

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

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

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

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

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

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS
(Dollars in millions)

In the three months ended June 30, 2025 compared to the same period in 2024, the decrease in earnings of $11 million (6%) was primarily due to:

- $16 million lower CPUC base operating margin, net of operating expenses including higher depreciation and $4 million lower authorized cost of capital. In the first three quarters of 2024, SDG&E recorded CPUC-authorized base revenues based on 2023 authorized levels
- $8 million higher net interest expense

Offset by:

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

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

- $34 million higher CPUC base operating margin, net of operating expenses including higher depreciation and $9 million lower authorized cost of capital. In the first three quarters of 2024, SDG&E recorded CPUC-authorized base revenues based on 2023 authorized levels
- $7 million higher income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $6 million higher net regulatory interest income
- $3 million higher electric transmission margin
- $3 million higher AFUDC equity

Offset by:

- $14 million higher net interest expense

SIGNIFICANT CHANGES IN REVENUES AND COSTS

Electric Revenues and Cost of Electric Fuel and Purchased Power

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

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

Offset by:

- $7 million higher revenues from transmission operations

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

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

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

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

Offset by:

- $47 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $9 million lower authorized cost of capital
- $14 million higher revenues from incremental and balanced capital projects offset by certain projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- $13 million higher revenues from transmission operations

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

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

Offset by:

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

Natural Gas Revenues and Cost of Natural Gas

In the three months ended June 30, 2025 and 2024, SDG&E's average cost of natural gas per thousand cubic feet was $4.60 and $3.53, respectively. In the six months ended June 30, 2025 and 2024, SDG&E's average cost of natural gas per thousand cubic feet was $4.86 and $5.08, respectively. The average cost of natural gas sold at SDG&E is impacted by market prices, as well as transportation, tariff and other charges.

In the three months ended June 30, 2025 compared to the same period in 2024, SDG&E's natural gas revenues increased by $22 million (11%) to $228 million primarily due to:

- $18 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $1 million lower authorized cost of capital
- $7 million increase in cost of natural gas sold, which we discuss below

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

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

- $50 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $3 million lower authorized cost of capital
- $19 million higher revenues associated with refundable programs, which are fully offset in O&M
- $8 million higher regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD

Offset by:

- $14 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- $8 million decrease in cost of natural gas sold, which we discuss below

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

Operation and Maintenance

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

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

Offset by:

- $6 million higher non-refundable operating costs

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

Other Income, Net

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

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

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

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

Income Taxes

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

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
SDG&E:				
Income tax expense	$ 7	$ 34	$ 21	$ 74
Income before income taxes	$ 182	$ 220	$ 477	$ 483
Effective income tax rate	4 %	15 %	4 %	15 %

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

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

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

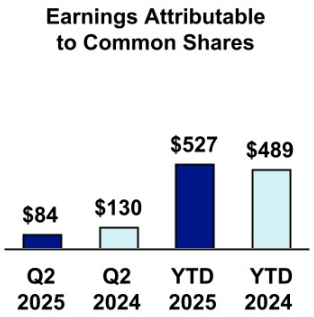
SoCalGas

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

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

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS
(Dollars in millions)



In the three months ended June 30, 2025 compared to the same period in 2024, the decrease in earnings of $46 million (35%) was primarily due to:

- $25 million from disallowed regulatory recovery of COVID-19 costs
- $19 million lower income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $9 million higher net interest expense

Offset by:

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

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

- $38 million higher CPUC base operating margin, net of operating expenses including higher depreciation and $13 million lower authorized cost of capital. In the first three quarters of 2024, SoCalGas recorded CPUC-authorized base revenues based on 2023 authorized levels
- $35 million higher income tax benefits primarily from flow-through items, including gas repairs tax benefits, which in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $10 million regulatory award approved by the CPUC in 2025

Offset by:

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

SIGNIFICANT CHANGES IN REVENUES AND COSTS

Natural Gas Revenues and Cost of Natural Gas

In the three months ended June 30, 2025 and 2024, SoCalGas' average cost of natural gas per thousand cubic feet was $2.50 and $1.84, respectively. In the six months ended June 30, 2025 and 2024, SoCalGas' average cost of natural gas per thousand cubic feet was $3.57 and $3.50, respectively. The average cost of natural gas sold at SoCalGas is impacted by market prices, as well as transportation and other charges.

In the three months ended June 30, 2025 compared to the same period in 2024, SoCalGas' natural gas revenues decreased by $41 million (3%) remaining at $1.3 billion primarily due to:

- $99 million lower revenues associated with refundable programs, which are fully offset in O&M
- $68 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- $29 million lower revenues from disallowed regulatory recovery of COVID-19 costs
- $8 million lower regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $3 million lower revenues associated with impacts resulting from changes in tax laws tracked in the income tax expense memorandum account

Offset by:

- $111 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $7 million lower authorized cost of capital
- $38 million increase in cost of natural gas sold, which we discuss below
- $14 million regulatory award approved by the CPUC in 2025

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

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

- $258 million higher CPUC-authorized base revenues, including certain incremental and balanced capital projects that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD offset by $18 million lower authorized cost of capital
- $47 million higher revenues associated with refundable programs, which are fully offset in O&M
- $37 million higher regulatory revenues, including gas repairs tax benefits, which are offset in income tax expense. Gas repairs tax benefits in the first three quarters of 2024 were recorded as a regulatory liability that was released in the fourth quarter of 2024 as a result of the 2024 GRC FD
- $14 million regulatory award approved by the CPUC in 2025

Offset by:

- $127 million lower revenues from incremental and balanced capital projects, including those that are now in CPUC-authorized base revenues as a result of the 2024 GRC FD and lower authorized cost of capital
- $29 million lower revenues from disallowed regulatory recovery of COVID-19 costs

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

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

- $23 million lower volumes driven by weather

Offset by:

- $11 million higher average natural gas prices

Operation and Maintenance

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

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

Offset by:

- $14 million higher non-refundable operating costs

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

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

Other (Expense) Income, Net

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

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

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

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

Income Taxes

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

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

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

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

CAPITAL RESOURCES AND LIQUIDITY

OVERVIEW

Sempra

Liquidity

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

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

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

ATM Program and Forward Sales Agreements

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

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

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

In the first quarter of 2025, we entered into a forward sale agreement under the ATM program for the sale of 2,087,317 shares of Sempra common stock that remain subject to future settlement. At the initial forward price of $70.6593 per share, the net proceeds from this forward sale agreement if we elect full physical settlement would be approximately $147 million. At June 30, 2025, a total of 2,087,317 shares of Sempra common stock remain subject to future settlement under this forward sale agreement, which may be settled on one or more dates specified by us no later than March 31, 2027.

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

At June 30, 2025, approximately $2.6 billion of common stock remained available for sale under the ATM program.

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

Available Funds

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

AVAILABLE FUNDS AT JUNE 30, 2025
(Dollars in millions)

	Sempra	SDG&E	SoCalGas
Unrestricted cash and cash equivalents[1]	$ 155	$ 28	$ —
Available unused credit[2]	7,628	1,500	989

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

(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 2025.

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

Long-Term Debt Activities

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

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

Issuances:	Amount at issuance	Maturity
SDG&E 5.40% first mortgage bonds	$ 850	2035
SoCalGas 5.45% first mortgage bonds	600	2035
SoCalGas 6.00% first mortgage bonds	500	2055
Sempra Infrastructure variable rate notes (ECA LNG Phase 1 project)	125	2027
Sempra Infrastructure variable rate term loan (PA LNG Phase 1 project)	1,542	2030
Sempra Infrastructure 6.27% senior secured notes (PA LNG Phase 1 project)	750	2042
Sempra Infrastructure 6.32% senior secured notes (PA LNG Phase 1 project)	250	2042

Payments:	Payments	Maturity
SoCalGas 3.20% first mortgage bonds	$ 350	2025
Sempra 3.30% notes	750	2025
Sempra Infrastructure variable rate term loan (PA LNG Phase 1 project)	983	2030
Sempra Infrastructure loan at variable rates (4.03% after floating-to-fixed rate swap effective 2019) payable June 15, 2022 through November 19, 2034	25	2034

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

Credit Ratings

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

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

ISSUER CREDIT RATINGS AT JUNE 30, 2025

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

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

Sempra has agreed that, if the credit rating of Oncor's senior secured debt by any of the three major rating agencies falls below BBB (or the equivalent), Oncor will suspend dividends and other distributions (except for contractual tax payments), unless otherwise allowed by the PUCT. Oncor's senior secured debt was rated A2, A+ and A at Moody's, S&P and Fitch, respectively, at June 30, 2025. On July 29, 2025, S&P downgraded Oncor's senior secured debt rating from A+ to A and revised its outlook from negative to stable.

Loans due to/from Affiliates

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

One Big Beautiful Bill Act

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

Pillar Two

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

Sempra California

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

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

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

CPUC GRC

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

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

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

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

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

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

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

CPUC Cost of Capital

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

SDG&E

Wildfire Fund

We describe the Wildfire Legislation and SDG&E's commitment to make annual shareholder contributions to the Wildfire Fund through 2028 in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report.

SDG&E is exposed to the risk that the participating California electric IOUs may incur third-party wildfire costs for which they will seek recovery from the Wildfire Fund with respect to wildfires that have occurred since enactment of the Wildfire Legislation in July 2019. In such a situation, SDG&E may recognize a reduction of its Wildfire Fund asset and record accelerated amortization against earnings when available coverage is reduced due to recoverable claims from any of the participating IOUs. The Wildfire Fund could be completely exhausted due to fires in the other California electric IOUs' service territories, by fires in SDG&E's service territory or by a combination thereof, which would result in accelerated amortization of SDG&E's Wildfire Fund asset. The carrying value of SDG&E's Wildfire Fund asset totaled $269 million at June 30, 2025.

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

If any California electric IOUs' assets are determined to be a cause of fires, including fires of the size and scope of the LA Fires, payments of claims associated with those events could have a material adverse effect on the Wildfire Fund, including potentially exhausting the fund, and on SDG&E's and Sempra's financial condition and results of operations up to the carrying value of our Wildfire Fund asset, with additional potential material exposure if SDG&E's equipment is determined to be a cause of a fire. Moreover, in the event that the Wildfire Fund is materially diminished, exhausted or terminated, SDG&E would lose the protection afforded by the Wildfire Fund, and as a consequence, a fire in SDG&E's service territory could have a material adverse effect on SDG&E's and Sempra's results of operations, financial condition, cash flows and/or prospects.

FERC Rate Matters

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

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

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

Off-Balance Sheet Arrangements

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

SoCalGas

Catastrophic Events Cost Recovery

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

LA Fires

The LA Fires burned in SoCalGas' service territory. The California Department of Forestry and Fire Protection estimated that the Palisades and Eaton fires damaged approximately 2,000 structures and destroyed approximately 16,200 structures. SoCalGas' infrastructure in the fire-affected areas that is underground, which constitutes most of its infrastructure in these areas, remains undamaged by the fires and we believe safe to continue serving customers as they return to their homes and businesses. To date, natural gas service has been restored to almost 16,000 customers in the Eaton and Palisades fire areas, and crews will continue that work as customers return to their properties.

Aliso Canyon Natural Gas Storage Facility

Litigation. From October 23, 2015 through February 11, 2016, SoCalGas experienced the Leak, which we discuss in Note 12 of the Notes to Condensed Consolidated Financial Statements in this report and in "Part I – Item 1A. Risk Factors" in the Annual Report. As of August 4, 2025, there are approximately eight outstanding plaintiffs who have not entered into a settlement agreement. SoCalGas' loss contingency accruals do not include any amounts in excess of what has been reasonably estimated to resolve these matters, nor any amounts that may be necessary to resolve threatened litigation, other potential litigation or other costs. We are not able to reasonably estimate the possible loss or a range of possible losses in excess of the amounts accrued, which could be significant and could have a material adverse effect on SoCalGas' and Sempra's results of operations, financial condition, cash flows and/or prospects.

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

Labor Relations

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

Sempra Texas Utilities

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

Oncor

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

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

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

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

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

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

Sharyland Utilities

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

Off-Balance Sheet Arrangement

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

Sempra Infrastructure

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

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

As we discuss in Note 6 of the Notes to Condensed Consolidated Financial Statements, on March 28, 2025, we issued a notice to KKR Pinnacle and ADIA of our intent to pursue a process to sell a portion of our 70% equity interest in SI Partners. We expect to complete the sale in the second or third quarter of 2026, subject to reaching agreement on acceptable pricing and other terms, securing required regulatory and other approvals, finalizing definitive contracts and other factors and considerations.

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

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

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

With respect to projects under construction, these risks and uncertainties include, in addition to the risks described above as applicable to each project, construction delays, unforeseen design flaws, cost overruns and other construction-related issues.

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

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

LNG

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

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

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

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

Cameron LNG JV concluded additional value engineering work on the proposed project in December 2024, which improved the overall anticipated value of the project and enabled evaluation of another potential EPC contractor. In collaboration with our partners, we continue to evaluate the results of this work as well as the full scope of the proposed project.

Under the Cameron LNG JV equity agreements, the expansion of the project requires the unanimous consent of all the members, including with respect to the equity investment obligation of each member. Expansion of the Cameron LNG Phase 1 facility beyond the first three trains is also subject to certain restrictions and conditions under the JV project financing agreements, including among others, scope restrictions on expansion of the project unless appropriate prior consent is obtained from the existing project lenders. A final investment decision remains subject to, among other things, securing these consents of the members and project lenders, satisfactory conclusion on the EPC process, negotiation and finalization of definitive offtake agreements and completion of all related financing and permitting activities.

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

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

We have an EPC contract with TP Oil & Gas Mexico, S. De R.L. De C.V., an affiliate of Technip Energies N.V., to construct the ECA LNG Phase 1 project. We estimate the total price of the EPC contract to be approximately $1.6 billion, with capital expenditures approximating $2.5 billion including capitalized interest at the project level and project contingency. The actual cost of the EPC contract and the actual amount of these capital expenditures may differ substantially from our estimates. We expect the ECA LNG Phase 1 project to reach substantial completion in the spring of 2026 and begin generating revenues from cargoes around that time. We expect sales under the long-term SPAs to begin shortly thereafter in the summer of 2026 when the facility commences commercial operations.

ECA LNG Phase 1 has a loan agreement with a syndicate of external lenders that was set to mature in December 2025 and was originally for an aggregate principal amount of up to $1.3 billion. As we discuss in Note 7 of the Notes to Condensed Consolidated Financial Statements, in July 2025, ECA LNG Phase 1 amended the loan agreement, which included extending the maturity date to December 2027 and increasing the aggregate borrowing capacity to $1.5 billion. At June 30, 2025 and December 31, 2024, $1.2 billion and $1.1 billion, respectively, of borrowings were outstanding under the loan agreement, with a weighted-average interest rate of 7.28% and 7.29%, respectively. Proceeds from the loan are being used to finance the cost of construction of the ECA LNG Phase 1 project.

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

ECA LNG Phase 2 Project. Sempra Infrastructure is developing a second, large-scale natural gas liquefaction project at the site of its existing ECA Regas Facility. We expect the proposed ECA LNG Phase 2 project to be comprised of two trains and one LNG storage tank and produce approximately 12 Mtpa of export capacity. The ECA Regas Facility currently has firm storage service agreements and nitrogen injection service agreements with Shell México Gas Natural, S. de R.L. de C.V. and SEFE Marketing & Trading México S. de R.L. de C.V. that expire in May 2028 and December 2025, respectively. We expect that future construction of the proposed ECA LNG Phase 2 project would conflict with the current operations at the ECA Regas Facility to the extent those agreements have not expired or have been earlier terminated at the time of such construction.

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

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

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

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

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

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

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

We have an EPC contract with Bechtel to construct the PA LNG Phase 1 project, which has an estimated price of approximately $10.8 billion, including change orders contemplated in project contingency. Estimated capital expenditures for the PA LNG Phase 1 project remain unchanged at approximately $13 billion including capitalized interest at the project level and project contingency. The actual cost of the EPC contract and the actual amount of these capital expenditures may differ materially from our estimates, including as a result of the imposition of tariffs. We expect the first and second trains of the PA LNG Phase 1 project to commence commercial operations in 2027 and 2028, respectively.

As we discuss in Note 12 of the Notes to Condensed Consolidated Financial Statements, in April 2025, an incident occurred at the site of the PA LNG Phase 1 project that resulted in the deaths of three Bechtel employees and the injury of two Bechtel employees. OSHA opened inspections with respect to Bechtel and Sempra Infrastructure but has released the site. Bechtel is continuing construction of the PA LNG Phase 1 project while the cause of the incident remains under investigation. In connection with the incident, as of August 4, 2025, there are two complaints outstanding on behalf of 17 plaintiffs. We believe we are entitled to indemnification from Bechtel under Port Arthur LNG's EPC contract with Bechtel with respect to this incident.

As we discuss in Note 10 of the Notes to Condensed Consolidated Financial Statements, SI Partners and ConocoPhillips have provided guarantees relating to their respective affiliate's commitment to make its pro rata equity share of capital contributions to fund 110% of the development budget of the PA LNG Phase 1 project, in an aggregate amount of up to $9.0 billion. SI Partners' guarantee covers 70% of this amount plus enforcement costs of its guarantee. As of June 30, 2025, an aggregate amount of $2.7 billion has been paid by SI Partners' subsidiary in satisfaction of its commitment to fund its portion of the development budget of the PA LNG Phase 1 project.

Port Arthur LNG has a seven-year term loan facility for an aggregate principal amount of approximately $6.8 billion and an initial working capital facility for up to $200 million, each of which matures in March 2030. At June 30, 2025, $1.6 billion of borrowings were outstanding under the term loan facility agreement. Proceeds from the loan are being used to finance the cost of construction of the PA LNG Phase 1 project.

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

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

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

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

Sempra Infrastructure has entered into a non-binding HOA for a 20-year SPA with Aramco International Gas Holding Co B.V. (Aramco) for 5 Mtpa of LNG offtake from the proposed PA LNG Phase 2 project. The HOA further contemplates Aramco's 25% participation in the project-level equity of the PA LNG Phase 2 project. Additionally, in July 2025, Sempra Infrastructure entered into a definitive 20-year SPA with JERA Co. Inc. for 1.5 Mtpa of LNG offtake on a free-on-board basis from the proposed PA LNG Phase 2 project, subject to making a positive final investment decision and customary closing conditions.

In July 2024, Sempra Infrastructure entered into an $8.2 billion EPC contract with Bechtel for the proposed PA LNG Phase 2 project. The EPC contract contemplates the construction of two liquefaction trains capable of producing approximately 13 Mtpa, an additional LNG storage tank and marine berth and associated loading facilities and related infrastructure necessary to provide liquefaction services. In June 2025, we amended and restated the EPC contract to reflect an estimated price of approximately $8.7 billion, subject to adjustments. The price is subject to increase if certain limited notices to proceed and the full notice to proceed are not issued, each by specified dates. We have no obligation to move forward on the EPC contract, and we may release Bechtel to perform portions of the work pursuant to limited notices to proceed.

In June 2025, we issued a limited notice to proceed under the EPC contract, authorizing the performance of discrete portions of work, which is subject to a firm cancelation cap if the EPC contract is subsequently terminated prior to issuance of the full notice to proceed. We expect to work with Bechtel with respect to the ultimate timeline for the project and plan to fully release Bechtel to perform all the work to construct the PA LNG Phase 2 project only after we reach a final investment decision, which we are targeting in 2025, but which is subject to other conditions being met, including obtaining permits, executing definitive agreements for LNG offtake and equity investments, and securing construction funding for the project. Tariffs levied by the U.S. Administration introduce macroeconomic uncertainty, which may affect the business development efforts and timing of the PA LNG Phase 2 project.

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

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

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

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

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

In February 2025, SI Partners entered into a credit support agreement, which constitutes a guarantee, for the benefit of a third-party financial institution with a maximum exposure to loss of $85 million. The guarantee will terminate in May 2026. We discuss this guarantee in Note 12 of the Notes to Condensed Consolidated Financial Statements.

In June 2021, 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 Infrastructure from the SDSRA. We discuss this guarantee in Note 12 of the Notes to Condensed Consolidated Financial Statements.

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

Energy Networks

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

Sonora Pipeline. 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.

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

The Guaymas-El Oro segment of the Sonora pipeline currently constitutes a Sole Risk Project under the terms of the SI Partners limited partnership agreement, which means that Sempra Infrastructure holds a 100% interest in the 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. At June 30, 2025, Sempra Infrastructure had $395 million in PP&E, net, related to the Guaymas-El Oro segment of the Sonora pipeline, which could be subject to impairment if, among other things, Sempra Infrastructure is unable to re-route a portion of the pipeline and resume operations or if Sempra Infrastructure terminates the contract and is unable to obtain recovery, which in each case could have a material adverse effect on Sempra's business, results of operations, financial condition, cash flows and/or prospects.

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

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

Low Carbon Solutions

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

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

Legal and Regulatory Matters

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

Energía Costa Azul

- Land Disputes
- Environmental and Social Impact Permits

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

Regulatory and Other Actions by the Mexican Government

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

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

SOURCES AND USES OF CASH

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

CASH FLOWS FROM OPERATING ACTIVITIES
(Dollars in millions)

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

CASH FLOWS FROM INVESTING ACTIVITIES
(Dollars in millions)

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

CASH FLOWS FROM FINANCING ACTIVITIES
(Dollars in millions)

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

Capital Expenditures for PP&E and Investments

CAPITAL EXPENDITURES FOR PP&E AND INVESTMENTS
(Dollars in millions)

	Six months ended June 30,	
	2025	2024
Sempra:		
Sempra California[1]	$ 2,315	$ 2,212
Sempra Texas Utilities	971	385
Sempra Infrastructure	2,323	1,619
Segment totals	5,609	4,216
Parent and other	3	1
Total Sempra	$ 5,612	$ 4,217

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

We expect capital expenditures for PP&E and investments in 2025 to total $12.1 billion. When (i) including Sempra's proportionate ownership interest in expected capital expenditures for PP&E at unconsolidated equity method investees while excluding Sempra's expected capital contributions to those unconsolidated equity method investees and (ii) excluding NCI's proportionate ownership interest in expected capital expenditures for PP&E at Sempra and at unconsolidated equity method investees, we expect capital expenditures for PP&E in 2025 to total $12.5 billion.

In addition, Oncor anticipates that its capital plan will grow over the 2025 through 2029 period, particularly in the latter years of its five-year capital plan, due to a variety of potential projects and developments, and that such incremental capital expenditures may exceed $12 billion over that period. Changes in Oncor's capital expenditures plan could result in corresponding changes to our capital expenditures plan based on our ownership interest in Oncor.

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

CRITICAL ACCOUNTING ESTIMATES

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

NEW ACCOUNTING STANDARDS

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

COMMODITY PRICE RISK

Sempra Infrastructure is exposed to commodity price risk indirectly through its LNG, natural gas pipelines and storage, and power-generating assets. In the first six months of 2025, a hypothetical 10% change in commodity prices would have resulted in a change in the fair value of our commodity-based natural gas and electricity derivatives of $16 million at June 30, 2025 compared to $13 million at December 31, 2024.

The one-day value at risk for SDG&E's and SoCalGas' commodity positions were $2 million and $9 million, respectively, at June 30, 2025 compared to $2 million for each at December 31, 2024.

INTEREST RATE RISK

The table below shows the nominal amount of our debt:

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

	June 30, 2025			December 31, 2024		
	Sempra	SDG&E	SoCalGas	Sempra	SDG&E	SoCalGas
Short-term:						
Sempra California	$ 211	$ —	$ 211	$ 1,454	$ 417	$ 1,037
Other	2,074	—	—	562	—	—
Long-term:						
Sempra California fixed-rate	$ 17,909	$ 9,800	$ 8,109	$ 16,309	$ 8,950	$ 7,359
Other fixed-rate	16,150	—	—	15,527	—	—
Other variable-rate	1,350	—	—	1,063	—	—

[1] *After the effects of interest rate swaps. Before reductions for unamortized discounts and debt issuance costs and excluding finance lease obligations.*

An interest rate risk sensitivity analysis measures interest rate risk by calculating the estimated changes in earnings attributable to common shares (but disregarding capitalized interest and impacts on equity earnings from debt at our equity method investees) that would result from a hypothetical change in market interest rates. Earnings attributable to common shares are affected by changes in interest rates on short-term debt and variable-rate long-term debt. If weighted-average interest rates on short-term debt outstanding at June 30, 2025 increased or decreased by 10%, the change in earnings attributable to common shares over the 12-month period ending June 30, 2026 would be approximately $7 million. If interest rates increased or decreased by 10% on all variable-rate long-term debt at June 30, 2025, after considering the effects of interest rate swaps, the change in earnings attributable to common shares over the 12-month period ending June 30, 2026 would be approximately $4 million.

FOREIGN CURRENCY EXCHANGE RATE RISK AND INFLATION EXPOSURE

We discuss our foreign currency exchange rate risk and inflation exposure in "Part I – Item 2. MD&A – Impact of Foreign Currency and Inflation Rates on Results of Operations" in this report and in "Part II – Item 7. MD&A – Impact of Foreign Currency and Inflation Rates on Results of Operations" in the Annual Report. At June 30, 2025, there were no significant changes to our exposure to foreign currency exchange rate risk since December 31, 2024.

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

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

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

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

Under the supervision and with the participation of the principal executive officers and principal financial officers of Sempra, SDG&E and SoCalGas, each such company's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2025, the end of the period covered by this report. Based on these evaluations, the principal executive officers and principal financial officers of Sempra, SDG&E and SoCalGas concluded that their respective company's disclosure controls and procedures were effective at the reasonable assurance level as of such date.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

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

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

Our businesses import various materials, including steel and aluminum, and purchase foreign-sourced goods, such as electrical transformers, from domestic distributors. Sempra Infrastructure also generates a material portion of its earnings from LNG exports to customers located outside the U.S., including countries in Asia and Europe. Our ability to continue importing materials and purchasing foreign-sourced goods at competitive prices and making affirmative final investment decisions on LNG and other significant projects in development is subject to a number of risks, including adverse impacts on the affordability of projects in development and under construction due to the imposition of tariffs by the U.S. Administration, and adverse impacts caused by (i) legal and regulatory requirements or limitations imposed by foreign governments, including tariffs, quotas or other trade barriers, sanctions, adverse tax law changes, nationalization, currency restrictions, or import restrictions, and (ii) disruptions or delays in shipments caused by customs compliance or other actions of government agencies.

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

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

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

While the U.S. Administration has announced various trade deals, many such agreements are preliminary and may be subject to change. Certain of the announced deals, including the agreement with the European Union, require further governmental approvals, and certain announced deal terms, including purported commitments by the European Union and Japan to purchase more U.S. energy, are non-binding and subject to voluntary implementation by the private sector. Any disagreement between the U.S. and other countries over the implementation of such trade deals or any failure to obtain required governmental approvals or otherwise reach a final agreement could result in prolonged uncertainty regarding the scope and duration of these trade actions by the U.S. and other countries. Such actions and any resulting economic, financial or geopolitical instability could materially adversely affect our results of operations, financial condition, cash flows and/or prospects.

ITEM 5. OTHER INFORMATION

(a) None.

(b) None.

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

ITEM 6. EXHIBITS

The exhibits listed below relate to each Registrant as indicated. Unless otherwise indicated, the exhibits that are incorporated by reference herein were filed under File Number 1-14201 (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

Exhibit Number	Exhibit Description	Filed or Furnished Herewith	Incorporated by Reference		
			Form	Exhibit or Appendix	Filing Date
EXHIBIT 3 -- ARTICLES OF INCORPORATION AND BYLAWS					
Sempra					
3.1	Amended and Restated Articles of Incorporation of Sempra effective May 23, 2008.		10-K	3.1	02/27/20
3.2	Certificate of Determination of Preferences of 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C, of Sempra (including the form of certificate representing the 4.875% Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Stock, Series C), filed with the Secretary of State of the State of California and effective June 11, 2020.		8-K	3.1	06/15/20
3.3	Certificate of Amendment of Amended and Restated Articles of Incorporation of Sempra dated May 12, 2023.		8-K	3.1	05/16/23
3.4	Bylaws of Sempra (as amended through May 12, 2023).		8-K	3.2	05/16/23
San Diego Gas & Electric Company					
3.5	Amended and Restated Articles of Incorporation of San Diego Gas & Electric Company effective August 15, 2014.		10-K	3.4	02/26/15
3.6	Bylaws of San Diego Gas & Electric Company (as amended through October 26, 2016).		10-Q	3.1	11/02/16
Southern California Gas Company					
3.7	Restated Articles of Incorporation of Southern California Gas Company effective October 7, 1996.		10-K	3.01	03/28/97
3.8	Bylaws of Southern California Gas Company (as amended through January 30, 2017).		8-K	3.1	01/31/17

EXHIBIT INDEX (CONTINUED)

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

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

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 7, 2025

By: /s/ Dyan Z. Wold
Dyan Z. Wold
Vice President, Controller and Chief Accounting Officer (Duly Authorized Officer)

San Diego Gas & Electric Company:

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

SAN DIEGO GAS & ELECTRIC COMPANY,
(Registrant)

Date: August 7, 2025

By: /s/ Valerie A. Bille
Valerie A. Bille
Senior Vice President, Chief Financial Officer, Controller and Chief Accounting Officer (Duly Authorized Officer)

Southern California Gas Company:

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

SOUTHERN CALIFORNIA GAS COMPANY,
(Registrant)

Date: August 7, 2025

By: /s/ Sara P. Mijares
Sara P. Mijares
Vice President, Controller and Chief Accounting Officer (Duly Authorized Officer)

SEMPRA
SEVERANCE PAY AGREEMENT

THIS AGREEMENT (this "Agreement"), dated as of July 5, 2025 (the "Effective Date"), is made by and between SEMPRA, a California corporation ("Sempra"), and Caroline A. Winn (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(g)), (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(d) 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(g)), 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).

"SERP" has the meaning assigned thereto in Section 5(b) hereof.

"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(g) 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 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 twelve (12) 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 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 twenty-four (24) 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 twenty-four (24) 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) two times 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 (f). 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), (e), and (f) is subject to and conditioned upon the Executive's satisfaction of the Release Requirements. Except as provided in Section 5(g), the Post-Change in Control Severance Payment and the payments under Section 5(b) 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), (e) or (f) 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) Pension Supplement. The Executive shall be entitled to receive a "Supplemental Retirement Benefit" under the Sempra Supplemental Executive Retirement Plan, as in effect from time to time ("SERP"), determined in accordance with this Section 5(b), in the event that the Executive is a "Participant" (as defined in the SERP) as of the Date of Termination. Such Supplemental Retirement Benefit shall be determined by crediting the Executive with additional months of "Service" (as defined in the SERP) (if any) equal to the number of full calendar months from the Date of Termination to the date on which the Executive would have attained age sixty-two (62). The Executive shall be entitled to receive such Supplemental Retirement Benefit without regard to whether the Executive has attained age fifty-five (55) or completed five (5) years of Service as of the Date of Termination. The Executive shall be treated as qualified for "Retirement" (as defined in the SERP) as of the Date of Termination, and the Executive's "Vesting Factor" with respect to the Supplemental Retirement Benefit shall be one hundred percent (100%). The Executive's Supplemental Retirement Benefit shall be calculated based on the Executive's actual age as of the date of commencement of payment of such Supplemental Retirement Benefit (the "SERP Distribution Date"), and by applying the applicable early retirement factors under the SERP, if the Executive has not attained age sixty-two (62) but has attained age fifty-five (55) as of the SERP Distribution Date. If the Executive has not attained age fifty-five (55) as of the SERP Distribution Date, the Executive's Supplemental Retirement Benefit shall be calculated by applying the applicable early retirement

factor under the SERP for age fifty-five (55), and the Supplemental Retirement Benefit otherwise payable at age fifty-five (55) shall be actuarially adjusted to the Executive's actual age as of the SERP Distribution Date using the following actuarial assumptions: (i) the applicable mortality table promulgated by the Internal Revenue Service under Section 417(e)(3) of the Code, as in effect on the first (1st) day of the calendar year in which the SERP Distribution Date occurs, and (ii) the applicable interest rate promulgated by the Internal Revenue Service under Section 417(e)(3) of the Code for the November next preceding the first day of the calendar year in which the SERP Distribution Date occurs. The Executive's Supplemental Retirement Benefit shall be determined in accordance with this Section 5(b), notwithstanding any contrary provisions of the SERP and, to the extent subject to Section 409A of the Code, shall be paid in accordance with Treasury Regulation Section 1.409A-3(c)(1). The Supplemental Retirement Benefit paid to or on behalf of the Executive in accordance with this Section 5(b) shall be in full satisfaction of any and all of the benefits payable to or on behalf of the Executive under the SERP.

(c) 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).

(d) 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(d) 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 twenty-four (24) 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(d) 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(d) 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(d) 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.

(e) 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 thirty-six (36) 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).

(f) Financial Planning Services. The Executive shall receive financial planning services, on an in-kind basis, for a period of thirty-six (36) 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).

(g) 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(g) shall be reduced by any amount

previously paid under Section 4. The amounts to be paid under this Section 5(g) 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 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 second (2nd) 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 Human Resources

7/14/2025

Date

EXECUTIVE

/s/ Caroline A. Winn

Caroline A. Winn
Executive Vice President

7/14/2025

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].

_____

SEMPRA ENERGY
SEVERANCE PAY AGREEMENT

THIS AGREEMENT (this "Agreement"), dated as of March 1, 2023 (the "Effective Date"), is made by and between SEMPRA ENERGY, a California corporation ("Sempra Energy"), and Dyan Z. Wold (the "Executive").

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

WHEREAS, Sempra Energy 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 Energy (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 Energy 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 Energy 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 Energy 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 Energy, a change in the effective control of Sempra Energy, or a change in the ownership of a substantial portion of assets of Sempra Energy 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 Energy" occurs on the date that any one Person, or more than one Person acting as a Group, acquires ownership of stock of

Sempra Energy 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 Energy,

(ii) a "change in the effective control of Sempra Energy" 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 Energy possessing thirty percent (30%) or more of the total voting power of the stock of Sempra Energy, 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 Energy" 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 Energy 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 Energy immediately before such acquisition or acquisitions.

(b) A "change in the ownership of Sempra Energy" or "a change in the effective control of Sempra Energy" 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 Energy directly from Sempra Energy or its Affiliates other than in connection with the acquisition by Sempra Energy or its Affiliates of a business,

(ii) a merger or consolidation which would result in the voting securities of Sempra Energy 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 Energy 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 Energy (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 Energy (not including the securities beneficially owned by such Person any securities acquired directly from Sempra Energy or its Affiliates other than in connection with the acquisition by Sempra Energy or its Affiliates of a business) representing twenty percent (20%) or more of the combined voting power of Sempra Energy's then outstanding securities.

(c) A "change in the ownership of a substantial portion of assets of Sempra Energy" shall not occur under clause (a)(iii) by reason of a sale or disposition by Sempra Energy of the assets of Sempra Energy 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 Energy in substantially the same proportions as their ownership of Sempra Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy (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 Energy) 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 Energy 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 Energy (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 Energy Control Group" means Sempra Energy and all Persons with whom Sempra Energy 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 Energy.

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 Energy, any committees of the Board and any committees of the board of directors of any of the Affiliates of Sempra Energy, if applicable, shall be automatically terminated and the Executive agrees to promptly take any and all actions (including resigning) required by Sempra Energy 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 Energy 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 Energy (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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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; *provided, however,* that, in the event that the Involuntary Termination occurs prior to October 1, 2026, the Post-Change in Control Severance Payment shall be increased by twenty-five percent (25%). 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 Energy (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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy (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 Energy 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 Energy's common equity or pursuant to any formal policy of Sempra Energy, 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 Energy'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 Energy 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 Energy 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 Energy. Any Arbitrable Dispute will be decided by an arbitrator through individual arbitration and not by way of court or jury trial. **Sempra Energy and the Executive waive any right to a jury trial or a court bench trial**.

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

Sempra Energy 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 Energy 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 Energy (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 Energy 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 Energy 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 Energy and its Affiliates; and the Executive agrees that it would be extremely damaging to Sempra Energy and its Affiliates if such Proprietary Information were disclosed to a competitor of Sempra Energy 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 Energy 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 Energy 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 Energy and its Affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of Sempra Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy. This Agreement shall inure to the benefit of and be binding upon Sempra Energy and its successors and assigns. Sempra Energy 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 Energy 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 Energy 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 Energy 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 Energy shall have no further obligations and liabilities under this Agreement. Upon such assumption, references to Sempra Energy 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 Energy that is a member of the Sempra Energy Control Group, (ii) Sempra Energy, 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 Energy Control Group, then if, on the date such subsidiary ceases to be a member of the Sempra Energy Control Group, the Executive continues in employment with such subsidiary and the Executive does not have a Separation from Service, Sempra Energy 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 Energy 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 Energy Control Group, and, upon such assumption, Sempra Energy shall have no further obligations and liabilities under the Agreement. Upon such assumption, references to Sempra Energy 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 Energy, 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 Energy 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 Energy 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

Energy shall have no further obligations and liabilities under the Agreement. Upon such assumption, references to Sempra Energy 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 Energy 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 Energy'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 Energy, (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 Energy 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.

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

SEMPRA ENERGY

/s/ Karen L. Sedgwick

Karen L. Sedgwick
Chief Administrative Officer and Chief Human Resources Officer

3/8/2023

Date

EXECUTIVE

/s/ Dyan Z. Wold

Dyan Z. Wold
VP and Controller
Sempra Services Corporation

2/27/2023

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].

_____

SEMPRA

<YEAR> LONG TERM INCENTIVE PLAN

YEAR <YEAR> RESTRICTED STOCK UNIT AWARD

You have been granted a restricted stock unit award representing the right to receive the number of shares of Sempra Common Stock set forth below, subject to the vesting conditions set forth below. The restricted stock units, and dividend equivalents with respect to the restricted stock units, under your award may not be sold or assigned. They will be subject to forfeiture unless and until they vest in accordance with the terms and conditions of the award. Shares of Common Stock will be distributed to you after the completion of the service periods ending in <MONTH> <YEAR>, if the restricted stock units vest under the terms and conditions of your award.

The terms and conditions of your award are set forth in the attached Year <YEAR> Restricted Stock Unit Award Agreement (the "Award Agreement") and in the Sempra <YEAR> Long Term Incentive Plan (the "Plan"), which has been provided to you. The summary below highlights selected terms and conditions but it is not complete and you should carefully read the Award Agreement and the Plan to fully understand the terms and conditions of your award.

SUMMARY

Date of Award:	**<DATE>, <YEAR>**
Name of Recipient:	**NAME**
Recipient's Employee Number:	**EE ID**
Number of Restricted Stock Units (prior to any dividend equivalents):	**# RSU**

Restricted Stock Units:
Your restricted stock units represent the right to receive shares of Common Stock in the future, subject to the terms and conditions of your award. Your restricted stock units are not shares of Common Stock.

Vesting/Forfeiture of Restricted Stock Units:
If not previously forfeited, your restricted stock units (together with related dividend equivalents) will vest on the <"first New York Stock Exchange trading day of <YEAR>" [for awards granted on the first New York Stock Exchange trading day of the year] or "first anniversary of the award date" [for awards not granted on the first New York Stock Exchange trading day of the year, unless a different vesting schedule is approved by the Compensation and Talent Development Committee]>, subject to your continued employment by Sempra or its Subsidiaries through the applicable Vesting Date. Subject to certain exceptions set forth in the Award Agreement, if your employment terminates prior to the applicable Vesting Date, your restricted stock units will be forfeited effective immediately following such termination.

Transfer Restrictions:
Your restricted stock units may not be sold or otherwise transferred and will remain subject to forfeiture conditions until they vest.

Termination of Employment:
Subject to certain exceptions set forth in the Award Agreement, your restricted stock units will be forfeited if your employment terminates before such units vest effective immediately following such termination.

Recoupment:
Sempra reserves the right to recoup the compensation received in connection with your award of restricted stock units (i) as required by applicable law or the rules or requirements of the primary national securities exchange on which Sempra's common stock is listed, (ii) as required by the compensation recovery policy implemented or maintained by Sempra ("Compensation Recovery Policy") or (iii) if your fraudulent or intentional misconduct is found, in the sole discretion of the Compensation and Talent Development Committee, to have materially affected the operations or financial results of Sempra or its Subsidiaries.

Dividend Equivalents:
You also have been awarded dividend equivalents with respect to your restricted stock units. Your dividend equivalents represent the right to receive additional shares of Common Stock in the future, subject to the terms and conditions of your award. Your dividend equivalents will be determined based on the dividends that you would have received had you held shares of Common Stock equal to the vested number of your restricted stock units from the date of your award to the date of the distribution of shares of Common Stock following the vesting of your restricted stock units, and assuming that the dividends were reinvested in Common Stock (and any dividends on such shares were reinvested in Common Stock). The dividends will be deemed reinvested in Common Stock in the same manner as dividends reinvested pursuant to the terms of the Sempra Direct Stock Purchase Plan (also known as the Sempra Dividend Reinvestment Plan). Your dividend equivalents will be subject to the same transfer restrictions, forfeiture and recoupment provisions, and vesting conditions as the shares represented by your restricted stock units.

Distribution of Shares:
Shares of Common Stock will be distributed to you to the extent your restricted stock units (and accompanying dividend equivalents) vest. Except as provided otherwise in the Award Agreement, the shares will be distributed to you after the completion of the applicable service period. The shares of Common Stock will include the additional shares to be distributed pursuant to your vested dividend equivalents.

Taxes:
Upon distribution of shares of Common Stock to you, you will be subject to income taxes on the value of the distributed shares at the time of distribution and must pay applicable withholding taxes.

By your acceptance of this award, you agree to all of the terms and conditions set forth in this Cover Page/Summary, the Award Agreement and the Plan. You will be deemed to have accepted this award unless you affirmatively reject the award in accordance with the procedures described herein.

Sempra:	<SIGNATURE>
	<NAME>
Title:	<CEO or CHRO (however designated)>

SEMPRA
<YEAR> LONG TERM INCENTIVE PLAN

Year <YEAR> Restricted Stock Unit Award Agreement

Award:

You have been granted a restricted stock unit award under Sempra's <YEAR> Long Term Incentive Plan (the "Plan"). The award consists of the number of restricted stock units set forth on the Cover Page/Summary to this Award Agreement, and dividend equivalents with respect to the restricted stock units (described below). Capitalized terms used in this Award Agreement and not defined shall have the meaning set forth in the Plan.

Your restricted stock units represent the right to receive shares of Common Stock in the future, subject to the terms and conditions of your award. Your restricted stock units are not shares of Common Stock.

Each restricted stock unit represents the right to receive one share of Common Stock upon the vesting of the unit.

Unless and until they vest, your restricted stock units and any dividend equivalents will be subject to transfer restrictions and forfeiture and vesting conditions.

Subject to certain exceptions set forth herein, your restricted stock units (and dividend equivalents) will be forfeited effective immediately following such termination if your employment terminates before they vest; provided, however, that the Compensation and Talent Development Committee of Sempra's Board of Directors (the "Compensation Committee"), in its sole discretion, may determine to vest you in all or a portion of such restricted stock units (subject to Code Section 409A requirements and the terms of the Plan).

See "Vesting/Forfeiture," "Transfer Restrictions," and "Termination of Employment" below.

Vesting/Forfeiture:

Subject to the provisions below relating to the treatment of your restricted stock units in connection with a Change in Control, your restricted stock units (and dividend equivalents) will vest on the <"first New York Stock Exchange trading day of <YEAR>" [for awards granted on the first New York Stock Exchange trading day of the year] or "first anniversary of the award date" [for awards not granted on the first New York Stock Exchange trading day of the year, unless a different vesting schedule is approved by the Compensation Committee]>, subject to your continued employment by Sempra or its Subsidiaries through the applicable vesting date and the terms of this Award Agreement.

Certificates for the shares will be transferred to your brokerage account unless you specifically instruct otherwise. When the shares of Common Stock are issued to you, your restricted stock units (vested and unvested) and your dividend equivalents will terminate.

Transfer Restrictions:

You may not sell or otherwise transfer or assign your restricted stock units (or your dividend equivalents).

Dividend Equivalents & Capitalization Adjustments:

You also have been awarded dividend equivalents with respect to your restricted stock units. Your dividend equivalents represent the right to receive additional shares of Common Stock in the future, subject to the terms and conditions of your award. Your dividend equivalents will be determined based on the dividends that you would have received had you held shares of Common Stock equal to the vested number of your restricted stock units from the date of your award to the date of the distribution of shares of Common Stock following the vesting of your restricted stock units, and assuming that the dividends were reinvested in Common Stock (and any dividends on such shares were reinvested in Common Stock). The dividends will be deemed reinvested in Common Stock in the same manner as dividends reinvested pursuant to the terms of the Sempra Direct Stock Purchase Plan (also known as the Sempra Dividend Reinvestment Plan).

Your dividend equivalents will be subject to the same transfer restrictions, forfeiture and recoupment provisions, and vesting conditions as your restricted stock units. They will vest when and to the extent that your restricted stock units vest.

Also, your restricted stock units (and dividend equivalents), including the terms and conditions thereof, will, in the sole discretion of the Compensation Committee, be substituted or adjusted, as applicable, in accordance with the terms and conditions of the Plan. Any additional restricted stock units (and dividend equivalents) awarded to you as a result of such substitution or adjustment also will be subject to the same transfer restrictions, forfeiture and recoupment provisions, and vesting conditions and other terms and conditions that are applicable to your restricted stock units (and dividend equivalents).

No Shareholder Rights:

Your restricted stock units (and dividend equivalents) are not shares of Common Stock. You will have no rights as a shareholder unless and until shares of Common Stock are issued to you following the vesting of your restricted stock units (and dividend equivalents) as provided in this Award Agreement and the Plan.

Distribution of Shares:

Following the vesting of your restricted stock units, you will receive the number of shares of Common Stock equal to the number of your restricted stock units that have vested. However, in no event will you receive under this award, and other awards granted to you under the Plan in the same fiscal year of Sempra, more than the maximum number of shares of Common Stock permitted under the Plan. Also, you will receive the number of shares of Common Stock equal to your vested dividend equivalents.

You will receive the shares as soon as reasonably practicable following each vesting date (and in no event later than March 15 of the year following the applicable vesting date). Once you receive the shares of Common Stock, your restricted stock units (and dividend equivalents) will terminate.

Termination of Employment:

Termination:

If your employment with Sempra and its Subsidiaries terminates for any reason other than by reason of your death or in connection with a Change in Control prior to the vesting of your restricted stock units (and dividend equivalents), all of your restricted stock units (and dividend equivalents) will be forfeited effective immediately following such termination; provided, however, that the Compensation Committee in its sole discretion may determine to vest you in all or a portion of such restricted stock units (subject to Code Section 409A requirements and the terms of the Plan). If your employment terminates by reason of your death prior to the vesting of your restricted stock units (and dividend equivalents), all of your restricted stock units (and dividend equivalents) will vest upon your death.

Termination for Cause:

If your employment with Sempra and its Subsidiaries terminates for cause, or your employment would have been subject to termination for cause, prior to the vesting of your restricted stock units (and dividend equivalents), all of your restricted stock units (and dividend equivalents) will be forfeited effective immediately following such termination.

Prior to the consummation of a Change in Control, a termination for cause is (i) the willful failure by you to substantially perform your duties with Sempra or your employer (other than any such failure resulting from your incapacity due to physical or mental illness), (ii) the grossly negligent performance of such obligations referenced in clause (i) of this definition, (iii) your gross insubordination; and/or (iv) your commission of one or more acts of moral turpitude that constitute a violation of applicable law (including but not limited to a felony) which have or result in an adverse effect on Sempra, monetarily or otherwise, or one or more significant acts of dishonesty. For purposes of clause (i), no act, or failure to act, on your part shall be deemed "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your act, or failure to act, was in the best interests of Sempra and its Subsidiaries. If your restricted stock units remain outstanding following a Change in Control pursuant to a Replacement Award, a termination for cause following such Change in Control shall be determined in accordance with the provisions of the Plan that define "Cause", including reasonable notice and, if possible, a reasonable opportunity to cure as provided therein.

Taxes:

Withholding Taxes:

When you become subject to withholding taxes upon distribution of the shares of Common Stock or otherwise, Sempra or its Subsidiary is required to withhold taxes. Unless you instruct otherwise and pay or make arrangements satisfactory to Sempra to pay these taxes, upon the distribution of your shares, Sempra will withhold a sufficient number of shares of common stock that you would otherwise be entitled to receive to cover the minimum required withholding taxes and transfer to you only the remaining balance of your shares. In the event that, following a Change in Control, your restricted stock units become eligible for a distribution upon your Retirement by reason of your combined age and service, your restricted stock units may become subject to employment tax withholding prior to the distribution of shares with respect to such units.

Code Section 409A:

Your restricted stock units are subject to provisions of the Plan which set forth terms to comply with Code Section 409A.

Recoupment:

Sempra reserves the right to recoup the compensation received in connection with your award of restricted stock units (i) as required by applicable law or the rules or requirements of the primary national securities exchange on which Sempra's common stock is listed, (ii) as required by the compensation recovery policy implemented or maintained by Sempra ("Compensation Recovery Policy") or (iii) if your fraudulent or intentional misconduct is found, in the sole discretion of the Compensation Committee, to have materially affected the operations or financial results of Sempra or its Subsidiaries.

Retention Rights:

Neither your restricted stock unit award nor this Award Agreement gives you any right to be retained by Sempra or any of its Subsidiaries in any capacity and your employer reserves the right to terminate your employment at any time, with or without cause. The value of your award will not be included as compensation or earnings for purposes of any other benefit plan offered by Sempra or any of its Subsidiaries.

Change in Control:

In the event of a Change in Control, the following terms shall apply:

- If (i) you have achieved age 55 and have completed at least five years of continuous service with Sempra and its Subsidiaries as of the date of a Change in Control and your restricted stock units have not been forfeited prior to the Change in Control, (ii) your outstanding restricted stock units as of the date of a Change in Control are not subject to a "substantial risk of forfeiture" within the meaning of Code Section 409A and/or (iii) your outstanding restricted stock units are not assumed or substituted with one or more Replacement Awards (as defined in the Plan), then in each case your outstanding restricted stock units and any associated dividend equivalents will vest immediately prior to the Change in Control. If the foregoing terms apply, immediately prior to the date of the Change in Control you will receive a number of shares of Common Stock equal to the number of your restricted stock units and dividend equivalents that have vested.

- If your outstanding restricted stock awards are assumed or substituted with one or more Replacement Awards, then, except as provided otherwise in an individual severance agreement or employment agreement to which you are a party, the terms set forth in the Plan shall apply with respect to such Replacement Award following the Change in Control. If the foregoing terms apply and the Replacement Award vests upon your separation from service or death, on such date, you will receive a number of shares or other property in settlement of the Replacement Awards.

Further Actions:

You agree to take all actions and execute all documents appropriate to carry out the provisions of this Award Agreement.

You shall be deemed to have accepted this award unless you affirmatively reject it in writing addressed to the Corporate Secretary of Sempra no later than 90 days following the Date of Award.

You also appoint as your attorney-in-fact each individual who at the time of so acting is the Secretary or an Assistant Secretary of Sempra with full authority to effect any transfer of any shares of Common Stock distributable to you, including any transfer to pay withholding taxes, that is authorized by this Award Agreement.

Applicable Law: This Award Agreement will be interpreted and enforced under the laws of the State of California.

Other Agreements: In the event of any conflict between the terms of this Award Agreement and any written employment, severance or other employment-related agreement between you and Sempra, the terms of this Award Agreement, or the terms of such other agreement, whichever are more favorable to you, shall prevail, provided that in each case a conflict shall be resolved in a manner consistent with the intent that your restricted stock units comply with Code Section 409A. In the event of a conflict between the terms of this Award Agreement and the Plan, the Plan document shall prevail. In the event of a conflict between the terms of this Award Agreement and Sempra's Compensation Recovery Policy, the terms of the Compensation Recovery Policy shall prevail.

By your acceptance of this award, you agree to all of the terms and conditions set forth in the Cover Page/Summary, this Award Agreement and the Plan. You will be deemed to have accepted this award unless you affirmatively reject the award in accordance with the procedures described herein.

SEMPRA ENERGY
SEVERANCE PAY AGREEMENT

THIS AGREEMENT (this "Agreement"), dated as of March 1, 2023 (the "Effective Date"), is made by and between SEMPRA ENERGY, a California corporation ("Sempra Energy"), and Erin M. Smith (the "Executive").

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

WHEREAS, Sempra Energy 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 Energy (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 Energy 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 Energy 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 Energy 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 Energy, a change in the effective control of Sempra Energy, or a change in the ownership of a substantial portion of assets of Sempra Energy 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 Energy" occurs on the date that any one Person, or more than one Person acting as a Group, acquires ownership of stock of

Sempra Energy 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 Energy,

(ii) a "change in the effective control of Sempra Energy" 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 Energy possessing thirty percent (30%) or more of the total voting power of the stock of Sempra Energy, 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 Energy" 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 Energy 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 Energy immediately before such acquisition or acquisitions.

(b) A "change in the ownership of Sempra Energy" or "a change in the effective control of Sempra Energy" 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 Energy directly from Sempra Energy or its Affiliates other than in connection with the acquisition by Sempra Energy or its Affiliates of a business,

(ii) a merger or consolidation which would result in the voting securities of Sempra Energy 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 Energy 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 Energy (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 Energy (not including the securities beneficially owned by such Person any securities acquired directly from Sempra Energy or its Affiliates other than in connection with the acquisition by Sempra Energy or its Affiliates of a business) representing twenty percent (20%) or more of the combined voting power of Sempra Energy's then outstanding securities.

(c) A "change in the ownership of a substantial portion of assets of Sempra Energy" shall not occur under clause (a)(iii) by reason of a sale or disposition by Sempra Energy of the assets of Sempra Energy 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 Energy in substantially the same proportions as their ownership of Sempra Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy (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 Energy) 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 Energy 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 Energy (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 Energy Control Group" means Sempra Energy and all Persons with whom Sempra Energy 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 Energy.

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 Energy, any committees of the Board and any committees of the board of directors of any of the Affiliates of Sempra Energy, if applicable, shall be automatically terminated and the Executive agrees to promptly take any and all actions (including resigning) required by Sempra Energy 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 Energy 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 Energy (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 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 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 eighteen (18) 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 eighteen (18) 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 Energy 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; *provided, however,* that, in the event that the Involuntary Termination occurs prior to December 28, 2025, the Post-Change in Control Severance Payment shall be increased by twenty-five percent (25%). 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 Energy (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 twelve (12) 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 twenty-four (24) 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 twenty-four (24) 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 Energy (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 Energy 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 Energy's common equity or pursuant to any formal policy of Sempra Energy, 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 Energy'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 Energy 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 Energy 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 Energy. Any Arbitrable Dispute will be decided by an arbitrator through individual arbitration and not by way of court or jury trial. **Sempra Energy and the Executive waive any right to a jury trial or a court bench trial.**

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

Sempra Energy 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 Energy 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 Energy (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 Energy 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 Energy 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 Energy and its Affiliates; and the Executive agrees that it would be extremely damaging to Sempra Energy and its Affiliates if such Proprietary Information were disclosed to a competitor of Sempra Energy 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 Energy 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 Energy 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 Energy and its Affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of Sempra Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 Energy 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 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 second (2nd) 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 Energy 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 Energy. This Agreement shall inure to the benefit of and be binding upon Sempra Energy and its successors and assigns. Sempra Energy 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 Energy 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 Energy 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 Energy 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 Energy shall have no further obligations and liabilities under this Agreement. Upon such assumption, references to Sempra Energy 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 Energy that is a member of the Sempra Energy Control Group, (ii) Sempra Energy, 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 Energy Control Group, then if, on the date such subsidiary ceases to be a member of the Sempra Energy Control Group, the Executive continues in employment with such subsidiary and the Executive does not have a Separation from Service, Sempra Energy 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 Energy 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 Energy Control Group, and, upon such assumption, Sempra Energy shall have no further obligations and liabilities under the Agreement. Upon such assumption, references to Sempra Energy 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 Energy, 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 Energy 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 Energy 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 Energy shall have no further obligations and liabilities under the Agreement. Upon such assumption, references to Sempra Energy 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 Energy 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 Energy'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 Energy, (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 Energy 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.

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

SEMPRA ENERGY

/s/ Karen L. Sedgwick

Karen L. Sedgwick
Chief Administrative Officer and Chief Human Resources Officer

3/10/2023

Date

EXECUTIVE

/s/ Erin M. Smith

Erin M. Smith
SVP, Talent, Culture and Operations Support
Southern California Gas Company

3/6/2023

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 Emplyee 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].

_____

June 2, 2025

Mia DeMontigny
**********@********.***

Dear Mia,

In recognition of your key role as a leader and your critical role in our company, we are offering you a package[1] that is intended to provide you with the time to celebrate important milestones with your family while also helping to promote your retention. This agreement confirms the terms that SoCalGas (the "Company") is offering you as incentive to remain employed with the Company.

- Leave: Your leave will begin effective June 25, 2025 and will continue through October 26, 2025[2], and no extensions will be granted. Your leave will include six weeks of paid vacation[3] leave and the remainder will consist of unpaid personal leave[4].

- Special Time-based Restricted Stock Unit Award: On June 2, 2025, you will be granted a special Award of time-based restricted stock units with a grant date value of $200,000 that will vest, subject to the terms of the Award Agreement and the Long-Term Incentive Plan, on the first New York Stock Exchange trading day of 2027.

- Cash retention: You will earn a retention bonus in the amount of $100,000 by returning to full-time active status on or before October 27, 2025, and remaining actively employed on a full-time basis through August 12, 2026 (the period from October 27, 2025 through August 12, 2026 referred to as the "Bonus Period"), subject to the following terms and conditions:

    - Except in the case of an involuntary termination during the Bonus Period as described below, this retention bonus will be paid on the first payroll date after August 12, 2026.

    - The retention bonus payment will not be benefits attracting, which means that it will not be included in the basis for calculating incentive compensation or your contributions or Company contributions to the company's Savings Plan or Cash Balance Plan, nor can it be deferred or otherwise taken into account under the company's nonqualified deferred compensation plans.

    - You will not be eligible for retention bonus if you do not remain employed with the Company in a full-time capacity throughout and until the end date of the Bonus Period under any of the following circumstances: (a) because you resign; (b) because you do not return to work by October 27, 2025; (c) due to your death or inability to perform the essential functions of your job, with or without accommodation, due to disability; or, (d) because the company terminates your employment for Cause. "Cause" for purposes of this agreement shall mean: (a) conviction of a crime of moral turpitude; (b) willful neglect of duties; or, (c) misconduct in the course and scope of employment.

    - Your employment will remain at will. However, in the event that the Company opts to completely terminate your employment without Cause (an "involuntary termination")[5] during and prior to the end of the Bonus Period, you will be eligible for a pro-rata portion of the retention bonus provided you sign a release of claims within 21 days of your involuntary termination, and do not revoke that release within 7 days after execution. Provided you timely execute and do not revoke the release, your pro rata retention bonus will be paid by the 30th day after your involuntary termination. This agreement does not replace your severance pay agreement dated March 1, 2023, which remains in effect.

Please contact me should you have any questions.

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[1] Subject to approval of the Compensation Committee of the SoCalGas board of directors

[2] You may elect to shorten your leave and return to work prior to October 27, 2025. Please contact Maryam Brown in advance if you are considering accelerating your return to work.

[3] As an officer, vacation is not accrued or tracked.

[4] Health and welfare benefits will continue during the period of your leave. Your share of premiums will be placed in arrears and recouped upon your return from leave via payroll deductions over a period of time equal to the period for which you are in arrears.

[5] For these purposes, such involuntary termination must also constitute an involuntary separation from service within the meaning of 29 C.F.R. Section 1.409A-1(n)(i).

Sincerely,

/s/ Maryam Brown
Maryam Brown
CEO - SoCalGas

By my signature below, I hereby agree to the terms and conditions stated above.

/s/ Mia DeMontigny
Mia DeMontigny

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 7, 2025 /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 7, 2025 /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 7, 2025 /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 7, 2025 /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, Maryam S. Brown, 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 7, 2025 /s/ Maryam S. Brown
Maryam S. Brown
Chief Executive Officer

EXHIBIT 31.6

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14 AND 15d-14

I, Sara P. Mijares, 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 7, 2025 /s/ Sara P. Mijares

Sara P. Mijares

Acting Chief Financial Officer, Vice President,
Controller and Chief Accounting 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, 2025 (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 7, 2025 /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, 2025 (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 7, 2025 /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, 2025 (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 7, 2025 /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, 2025 (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 7, 2025 /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, 2025 (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 7, 2025 /s/ Maryam S. Brown
Maryam S. Brown
Chief Executive Officer

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, 2025 (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 7, 2025 /s/ Sara P. Mijares

Sara P. Mijares

Acting Chief Financial Officer, Vice President, Controller and Chief Accounting Officer