



2023 Statistical Report

Unaudited Supplement
to the Financial Report



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Unaudited Supplement to the 2023 Annual Report

Sempra™ is a leading North American energy infrastructure company focused on delivering energy to nearly 40 million consumers. As owner of one of the largest energy networks on the continent, Sempra is electrifying and improving the energy resilience of some of the world's most significant economic markets, including California, Texas, Mexico and global energy markets. The company is recognized as a leader in sustainable business practices and for its high-performance culture focused on safety and operational excellence, as demonstrated by Sempra's inclusion in the Dow Jones Sustainability Index North America and in The Wall Street Journal's Best Managed Companies.

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Sempra Common Stock:
Trading Symbols: SRE and SRE.MX
New York Stock Exchange and Mexican Stock Exchange

Sempra Series C Preferred Stock is not listed on any national securities exchange

Sempra 5.75% Junior Subordinated Notes Due 2079:
Trading Symbol: SREA
New York Stock Exchange

Southern California Gas Company Preferred Stock:
SoCalGas preferred stock is not listed on any national securities exchange and trades over-the-counter

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Selected Financial Data



(Dollars in millions, except per share amounts; shares in millions)	At December 31 or for the years then ended,		
	2023	2022	2021
Earnings attributable to common shares	\$ 3,030	\$ 2,094	\$ 1,254
Earnings per common share (EPS), diluted	\$ 4.79	\$ 3.31	\$ 2.01
Adjusted earnings ⁽¹⁾	\$ 2,920	\$ 2,915	\$ 2,637
Adjusted EPS, diluted ⁽¹⁾	\$ 4.61	\$ 4.61	\$ 4.21
Weighted-average common shares outstanding, diluted	632.7	632.8	626.1
Dividends declared per common share	\$ 2.38	\$ 2.29	\$ 2.20
Dividend yield per common share	3.2 %	3.0 %	3.3 %
Dividend payout ratio per common share, diluted	49.7 %	69.2 %	109.7 %
Ratio of market closing price to book value per common share	1.70	1.85	1.67
Book value per common share	\$ 44.00	\$ 41.72	\$ 39.59
Common shares outstanding	631.4	628.7	633.8
Total assets	\$ 87,181	\$ 78,574	\$ 72,045
Long-term debt and finance leases (excludes current portion)	\$ 27,759	\$ 24,548	\$ 21,068
Short-term debt ⁽²⁾	\$ 3,317	\$ 4,371	\$ 3,577
Semptra shareholders' equity	\$ 28,675	\$ 27,115	\$ 25,981
Effective income tax rate	15 %	28 %	12 %

⁽¹⁾ Please refer to pages 15, 16 and 17 for an explanation and reconciliation of these non-GAAP measures.

⁽²⁾ Includes long-term debt due within one year and current portion of finance lease obligations.

Consolidated Statements of Operations



(Dollars in millions, except per share amounts; shares in thousands)	Years ended December 31,		
	2023	2022	2021
REVENUES			
Utilities:			
Natural gas	\$ 9,495	\$ 7,868	\$ 6,333
Electric	4,334	4,783	4,658
Energy-related businesses	2,891	1,788	1,866
Total revenues	<u>16,720</u>	<u>14,439</u>	<u>12,857</u>
EXPENSES AND OTHER INCOME			
Utilities:			
Cost of natural gas	(3,719)	(2,603)	(1,597)
Cost of electric fuel and purchased power	(375)	(937)	(1,010)
Energy-related businesses cost of sales	(548)	(942)	(611)
Operation and maintenance	(5,459)	(4,746)	(4,341)
Aliso Canyon litigation and regulatory matters	—	(259)	(1,593)
Depreciation and amortization	(2,227)	(2,019)	(1,855)
Franchise fees and other taxes	(677)	(635)	(596)
Gain on sale of assets	1	—	36
Other income, net	131	24	58
Interest income	89	75	69
Interest expense	(1,309)	(1,054)	(1,198)
Income before income taxes and equity earnings	<u>2,627</u>	<u>1,343</u>	<u>219</u>
Income tax expense	(490)	(556)	(99)
Equity earnings	1,481	1,498	1,343
Net income	<u>3,618</u>	<u>2,285</u>	<u>1,463</u>
Earnings attributable to noncontrolling interests	(543)	(146)	(145)
Preferred dividends	(44)	(44)	(63)
Preferred dividends of subsidiary	(1)	(1)	(1)
Earnings attributable to common shares	<u>\$ 3,030</u>	<u>\$ 2,094</u>	<u>\$ 1,254</u>
Basic EPS:			
Earnings	\$ 4.81	\$ 3.32	\$ 2.01
Weighted-average common shares outstanding	630,296	630,318	623,510
Diluted EPS:			
Earnings	\$ 4.79	\$ 3.31	\$ 2.01
Weighted-average common shares outstanding	632,733	632,757	626,073

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2023	2022	2021
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 236	\$ 370	\$ 559
Restricted cash	49	40	19
Accounts receivable – trade, net	2,151	2,635	2,071
Accounts receivable – other, net	561	685	398
Due from unconsolidated affiliates	31	54	23
Income taxes receivable	94	113	79
Inventories	482	403	389
Prepaid expenses	273	268	260
Regulatory assets	226	351	271
Fixed-price contracts and other derivatives	122	803	179
Greenhouse gas allowances	1,189	141	97
Other current assets	56	49	30
Total current assets	<u>5,470</u>	<u>5,912</u>	<u>4,375</u>
Other assets:			
Restricted cash	104	52	3
Due from unconsolidated affiliates	—	—	637
Regulatory assets	3,771	2,588	2,011
Insurance receivable for Aliso Canyon costs	—	—	360
Greenhouse gas allowances	301	796	422
Nuclear decommissioning trusts	872	841	1,012
Dedicated assets in support of certain benefit plans	549	505	567
Deferred income taxes	129	135	151
Right-of-use assets – operating leases	723	655	594
Investment in Oncor Holdings	14,266	13,665	12,947
Other investments	2,244	2,012	1,525
Goodwill	1,602	1,602	1,602
Other intangible assets	318	344	370
Wildfire fund	269	303	331
Other long-term assets	1,603	1,382	1,244
Total other assets	<u>26,751</u>	<u>24,880</u>	<u>23,776</u>
Property, plant and equipment:			
Property, plant and equipment	72,495	63,893	58,940
Less accumulated depreciation and amortization	<u>(17,535)</u>	<u>(16,111)</u>	<u>(15,046)</u>
Property, plant and equipment, net	<u>54,960</u>	<u>47,782</u>	<u>43,894</u>
Total assets	<u>\$ 87,181</u>	<u>\$ 78,574</u>	<u>\$ 72,045</u>

Consolidated Balance Sheets (Continued)



(Dollars in millions)	December 31,		
	2023	2022	2021
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ 2,342	\$ 3,352	\$ 3,471
Accounts payable – trade	2,211	1,994	1,671
Accounts payable – other	224	275	178
Due to unconsolidated affiliates	5	—	—
Dividends and interest payable	691	621	563
Accrued compensation and benefits	526	484	479
Regulatory liabilities	553	504	359
Current portion of long-term debt and finance leases	975	1,019	106
Reserve for Aliso Canyon costs	31	129	1,980
Greenhouse gas obligations	1,189	141	97
Other current liabilities	1,343	1,380	1,131
Total current liabilities	<u>10,090</u>	<u>9,899</u>	<u>10,035</u>
Long-term debt and finance leases	<u>27,759</u>	<u>24,548</u>	<u>21,068</u>
Deferred credits and other liabilities:			
Due to unconsolidated affiliates	307	301	287
Regulatory liabilities	3,739	3,341	3,402
Greenhouse gas obligations	—	565	225
Pension and other postretirement benefit plan obligations, net of plan assets	407	410	687
Deferred income taxes	5,254	4,591	3,477
Asset retirement obligations	3,642	3,546	3,375
Deferred credits and other	2,329	2,117	2,070
Total deferred credits and other liabilities	<u>15,678</u>	<u>14,871</u>	<u>13,523</u>
Equity:			
Preferred stock	889	889	889
Common stock	12,204	12,160	11,862
Retained earnings	15,732	14,201	13,548
Accumulated other comprehensive income (loss)	(150)	(135)	(318)
Total Sempra shareholders' equity	<u>28,675</u>	<u>27,115</u>	<u>25,981</u>
Preferred stock of subsidiary	20	20	20
Other noncontrolling interests	4,959	2,121	1,418
Total equity	<u>33,654</u>	<u>29,256</u>	<u>27,419</u>
Total liabilities and equity	<u>\$ 87,181</u>	<u>\$ 78,574</u>	<u>\$ 72,045</u>

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 3,618	\$ 2,285	\$ 1,463
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,227	2,019	1,855
Deferred income taxes and investment tax credits	249	392	(78)
Gain on sale of assets	(1)	—	(36)
Equity earnings	(1,481)	(1,498)	(1,343)
Foreign currency transaction (gains) losses, net	(2)	24	18
Share-based compensation expense	80	71	63
Fixed-price contracts and other derivatives	(666)	863	206
Bad debt expense	458	122	55
Other	(11)	32	115
Net change in working capital components:			
Accounts receivable	168	(976)	(599)
Due to/from unconsolidated affiliates, net	26	(31)	(1)
Income taxes receivable/payable, net	142	(29)	(38)
Inventories	(80)	(17)	(87)
Other current assets	11	(1,608)	(220)
Accounts payable	(270)	430	263
Regulatory balancing accounts, net	260	36	249
Reserve for Aliso Canyon costs	(98)	(1,851)	1,532
Other current liabilities	1,270	228	(105)
Insurance receivable for Aliso Canyon costs	—	360	85
Distributions from investments	912	854	941
Changes in other noncurrent assets and liabilities, net	(594)	(564)	(496)
Net cash provided by operating activities	<u>6,218</u>	<u>1,142</u>	<u>3,842</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(8,397)	(5,357)	(5,015)
Expenditures for investments and acquisitions	(382)	(376)	(633)
Proceeds from sale of assets	3	—	38
Distributions from investments	—	—	366
Purchases of nuclear decommissioning and other trust assets	(610)	(700)	(961)
Proceeds from sales of nuclear decommissioning and other trust assets	661	762	961
Advances to unconsolidated affiliates	—	—	(8)
Repayments of advances to unconsolidated affiliates	—	626	38
Disbursement for note receivable	—	—	(305)
Other	9	6	11
Net cash used in investing activities	<u>\$ (8,716)</u>	<u>\$ (5,039)</u>	<u>\$ (5,508)</u>

Consolidated Statements of Cash Flows (Continued)



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	\$ (1,483)	\$ (1,430)	\$ (1,331)
Preferred dividends paid	(44)	(44)	(99)
Issuances of common stock, net	145	4	5
Repurchases of common stock	(32)	(478)	(339)
Issuances of debt (maturities greater than 90 days)	7,669	9,984	3,773
Payments on debt (maturities greater than 90 days) and finance leases	(6,294)	(4,510)	(5,489)
Increase (decrease) in short-term debt, net	552	(1,266)	1,913
Advances from unconsolidated affiliates	31	28	40
Proceeds from sales of noncontrolling interests, net	1,219	1,732	3,206
Purchases of noncontrolling interests	—	—	(224)
Distributions to noncontrolling interests	(730)	(237)	—
Contributions from noncontrolling interests	1,570	31	4
Settlement of cross-currency swaps	(99)	—	—
Other	(85)	(35)	(199)
Net cash provided by financing activities	<u>2,419</u>	<u>3,779</u>	<u>1,260</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>6</u>	<u>(1)</u>	<u>2</u>
Decrease in cash, cash equivalents and restricted cash	(73)	(119)	(404)
Cash, cash equivalents and restricted cash, January 1	462	581	985
Cash, cash equivalents and restricted cash, December 31	<u>\$ 389</u>	<u>\$ 462</u>	<u>\$ 581</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 1,172	\$ 1,014	\$ 1,163
Income tax payments, net of refunds	197	284	230

Segment Earnings (Losses) and Capital Expenditures, Investments and Acquisitions



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
EARNINGS (LOSSES) ATTRIBUTABLE TO COMMON SHARES			
Sempra California	\$ 1,747	\$ 1,514	\$ 392
Sempra Texas Utilities	694	736	616
Sempra Infrastructure	877	310	682
Parent and other	(288)	(466)	(436)
Total	<u>\$ 3,030</u>	<u>\$ 2,094</u>	<u>\$ 1,254</u>
CAPITAL EXPENDITURES, INVESTMENTS AND ACQUISITIONS			
Sempra California	\$ 4,560	\$ 4,466	\$ 4,204
Sempra Texas Utilities	367	346	566
Sempra Infrastructure	3,847	914	869
Parent and other	5	7	9
Total	<u>\$ 8,779</u>	<u>\$ 5,733</u>	<u>\$ 5,648</u>

Schedule of Capitalization and Debt-to-Capitalization Ratios



(Dollars in millions)	December 31,					
	2023		2022		2021	
CAPITALIZATION						
Short-term debt	\$ 2,342	3.6 %	\$ 3,352	5.8 %	\$ 3,471	6.7 %
Current portion of long-term debt and finance leases	975	1.5	1,019	1.7	106	0.2
Long-term debt and finance leases	27,759	42.9	24,548	42.2	21,068	40.5
Total debt	31,076	48.0	28,919	49.7	24,645	47.4
Equity:						
Preferred stock	889	1.4	889	1.5	889	1.7
Common stock	12,204	18.8	12,160	20.9	11,862	22.8
Retained earnings	15,732	24.3	14,201	24.4	13,548	26.0
Accumulated other comprehensive loss	(150)	(0.2)	(135)	(0.2)	(318)	(0.6)
Total Sempra shareholders' equity	28,675	44.3	27,115	46.6	25,981	49.9
Preferred stock of subsidiary	20	—	20	—	20	—
Other noncontrolling interests	4,959	7.7	2,121	3.7	1,418	2.7
Total equity	33,654	52.0	29,256	50.3	27,419	52.6
Total capitalization	\$ 64,730	100.0 %	\$ 58,175	100.0 %	\$ 52,064	100.0 %

Schedule of Long-Term Debt



(Dollars in millions)	Outstanding at December 31, 2023
SDG&E:	
First mortgage bonds (collateralized by plant assets):	
2.5% May 15, 2026	\$ 500
6% June 1, 2026	250
4.95% August 15, 2028	600
1.7% October 1, 2030	800
3% March 15, 2032	500
5.35% May 15, 2035	250
6.125% September 15, 2037	250
6% June 1, 2039	300
5.35% May 15, 2040	250
4.5% August 15, 2040	500
3.95% November 15, 2041	250
4.3% April 1, 2042	250
3.75% June 1, 2047	400
4.15% May 15, 2048	400
4.1% June 15, 2049	400
3.32% April 15, 2050	400
2.95% August 15, 2051	750
3.7% March 15, 2052	500
5.35% April 1, 2053	800
Other long-term debt (uncollateralized):	
Notes at variable rates (5.99% at December 31, 2023) February 18, 2024 ⁽¹⁾	400
Finance lease obligations:	
Power purchase agreements	1,166
Other	67
SoCalGas:	
First mortgage bonds (collateralized by plant assets):	
3.15% September 15, 2024	500
3.2% June 15, 2025	350
2.6% June 15, 2026	500
2.55% February 1, 2030	650
5.20% June 1, 2033	500
5.75% November 15, 2035	250
5.125% November 15, 2040	300
3.75% September 15, 2042	350
4.45% March 15, 2044	250
4.125% June 1, 2048	400
4.3% January 15, 2049	550
3.95% February 15, 2050	350
6.35% November 15, 2052	600
5.75% June 1, 2053	500
Other long-term debt (uncollateralized):	
1.875% Notes May 14, 2026 ⁽¹⁾	4
2.95% Notes April 15, 2027	700
5.67% Notes January 18, 2028 ⁽²⁾	5
Finance lease obligations	107

Schedule of Long-Term Debt (Continued)



(Dollars in millions)	Outstanding at December 31, 2023
Other Sempra:	
Other long-term debt (uncollateralized):	
3.3% Notes April 1, 2025	\$ 750
5.40% Notes August 1, 2026	550
3.25% Notes June 15, 2027	750
3.4% Notes February 1, 2028	1,000
3.7% Notes April 1, 2029	500
5.50% Notes August 1, 2033	700
3.8% Notes February 1, 2038	1,000
6% Notes October 15, 2039	750
4% Notes February 1, 2048	800
4.125% Junior Subordinated Notes April 1, 2052 ⁽¹⁾	1,000
5.75% Junior Subordinated Notes July 1, 2079 ⁽¹⁾	758
Sempra Infrastructure - Other long-term debt (uncollateralized unless otherwise noted):	
Loan at variable rates (8.31% at December 31, 2023) December 9, 2025	832
3.75% Notes January 14, 2028	300
Loan including \$200 at variable rates (5.33% after floating-to-fixed rate swaps effective 2023) and \$58 at variable rates (weighted-average rate of 7.37% at December 31, 2023) March 20, 2030, collateralized by plant assets ⁽¹⁾	258
3.25% Notes January 15, 2032	400
Loan at variable rates (4.03% after floating-to-fixed rate swap effective 2019) payable June 15, 2022 through November 19, 2034 ⁽¹⁾	96
Loan at variable rates (4.03% after floating-to-fixed rate swap effective 2019) payable June 15, 2022 through November 19, 2034 ⁽¹⁾	96
Loan at variable rates (2.38% after floating-to-fixed rate swap effective 2020) payable June 15, 2022 through November 19, 2034 ⁽¹⁾	96
2.9% Loan payable June 15, 2022 through November 19, 2034 ⁽¹⁾	231
4.875% Notes January 14, 2048	540
4.75% Notes January 15, 2051	800
Total long-term debt outstanding	<u>29,056</u>
Current portion of long-term debt	(975)
Unamortized discount on long-term debt	(108)
Unamortized debt issuance costs	(214)
Total	<u>\$ 27,759</u>

⁽¹⁾ Callable long-term debt not subject to make-whole provisions.

⁽²⁾ Debt is not callable.

At the option of Sempra, SDG&E and SoCalGas, \$2.9 billion of debt is callable subject to premiums. In addition, at the option of Sempra, SDG&E and SoCalGas, \$24.8 billion of debt is callable subject to premiums and make-whole provisions.

Excluding finance lease obligations, discounts and debt issuance costs, maturities of long-term debt are \$0.9 billion in 2024, \$2.0 billion in 2025, \$1.9 billion in 2026, \$1.5 billion in 2027, \$2.0 billion in 2028 and \$19.5 billion thereafter.

Reconciliation of Sempra Adjusted Earnings to Sempra GAAP Earnings



Sempra Adjusted Earnings and Adjusted EPS exclude items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

In 2023:

- \$(44) million equity losses from investment in Oncor Electric Delivery Holdings Company LLC related to a write-off of rate base disallowances resulting from the Public Utility Commission of Texas' final order in Oncor Electric Delivery Company LLC's comprehensive base rate review
- \$(235) million impact from foreign currency and inflation on our monetary positions in Mexico
- \$366 million net unrealized gains on commodity derivatives
- \$(17) million net unrealized losses on a contingent interest rate swap related to the initial phase of the Port Arthur LNG liquefaction project
- \$40 million equity earnings from investment in RBS Sempra Commodities LLP based on a legal settlement

In 2022:

- \$(199) million impact associated with Aliso Canyon natural gas storage facility litigation and regulatory matters at Sempra California
- \$(164) million impact from foreign currency and inflation on our monetary positions in Mexico
- \$(355) million net unrealized losses on commodity derivatives
- \$17 million net unrealized gains on a contingent interest rate swap related to the proposed initial phase of the Port Arthur LNG liquefaction project
- \$(120) million deferred income tax expense associated with the change in our indefinite reinvestment assertion as a result of progress in obtaining regulatory approvals necessary to close the sale of a 10% noncontrolling interest in Sempra Infrastructure Partners, LP to Abu Dhabi Investment Authority

In 2021:

- \$(1,148) million impact associated with Aliso Canyon natural gas storage facility litigation at Sempra California
- \$(44) million impact from foreign currency and inflation on our monetary positions in Mexico and associated undesignated derivatives
- \$(47) million net unrealized losses on commodity derivatives
- \$(30) million in charges associated with hedge termination costs and a write-off of unamortized debt issuance costs from the early redemptions of debt at Sempra Infrastructure in October 2021
- \$(92) million in charges associated with make-whole premiums and a write-off of unamortized discount and debt issuance costs from the early redemptions of debt at Parent and other in December 2021
- \$(72) million net income tax expense related to the utilization of a deferred income tax asset upon completing the sale of a 20% noncontrolling interest in Sempra Infrastructure Partners, LP to KKR Pinnacle Investor L.P. in October 2021
- \$50 million equity earnings from investment in RBS Sempra Commodities LLP, which represents a reduction to an estimate of our obligations to settle pending value added tax matters and related legal costs at our equity method investment at Parent and other

Sempra Adjusted Earnings and Adjusted EPS are non-GAAP financial measures (GAAP represents generally accepted accounting principles in the United States of America). These non-GAAP financial measures exclude significant items that are generally not related to our ongoing business activities and/or are infrequent in nature. These non-GAAP financial measures also exclude the impact from foreign currency and inflation effects on our monetary positions in Mexico and associated undesignated derivatives and unrealized gains and losses on commodity derivatives, which we expect to occur in future periods, and which can vary significantly from one period to the next. Exclusion of these items is useful to management and investors because it provides a meaningful comparison of the performance of Sempra's business operations to prior and future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods these non-GAAP financial measures to Sempra GAAP Earnings and GAAP EPS, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

Reconciliation of Sempra Adjusted Earnings to Sempra GAAP Earnings (Continued)



	Pretax amount	Income tax expense (benefit) ⁽¹⁾	Noncontrolling interests	Earnings
(Dollars in millions, except EPS; shares in thousands)				
Year ended December 31, 2023				
Sempra GAAP Earnings				\$ 3,030
Excluded items:				
Equity losses from write-off of rate base disallowances resulting from Public Utility Commission of Texas' final order in Oncor Electric Delivery Company LLC's comprehensive base rate review	\$ —	\$ —	\$ —	44
Impact from foreign currency and inflation on monetary positions in Mexico	62	283	(110)	235
Net unrealized gains on commodity derivatives	(722)	144	212	(366)
Net unrealized losses on contingent interest rate swap related to initial phase of the Port Arthur LNG liquefaction project	33	(6)	(10)	17
Earnings from investment in RBS Sempra Commodities LLP	(40)	—	—	(40)
Sempra Adjusted Earnings				<u>\$ 2,920</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted				632,733
Sempra GAAP EPS				\$ 4.79
Sempra Adjusted EPS				\$ 4.61
Year ended December 31, 2022				
Sempra GAAP Earnings				\$ 2,094
Excluded items:				
Impact associated with Aliso Canyon litigation and regulatory matters	\$ 259	\$ (60)	\$ —	199
Impact from foreign currency and inflation on monetary positions in Mexico	49	169	(54)	164
Net unrealized losses on commodity derivatives	669	(138)	(176)	355
Net unrealized gains on contingent interest rate swap related to proposed initial phase of the Port Arthur LNG liquefaction project	(33)	6	10	(17)
Deferred income tax expense associated with change in indefinite reinvestment assertion related to sale of noncontrolling interest to Abu Dhabi Investment Authority	—	120	—	120
Sempra Adjusted Earnings				<u>\$ 2,915</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted				632,757
Sempra GAAP EPS				\$ 3.31
Sempra Adjusted EPS				\$ 4.61

Reconciliation of Sempra Adjusted Earnings to Sempra GAAP Earnings (Continued)



	Pretax amount	Income tax (benefit) expense ⁽¹⁾	Noncontrolling interests	Earnings
Year ended December 31, 2021				
<i>(Dollars in millions, except EPS; shares in thousands)</i>				
Sempra GAAP Earnings				\$ 1,254
Excluded items:				
Impact associated with Aliso Canyon litigation	\$ 1,593	\$ (445)	\$ —	1,148
Impact from foreign currency and inflation on monetary positions in Mexico and associated undesignated derivatives	44	4	(4)	44
Net unrealized losses on commodity derivatives	23	(18)	42	47
Costs associated with early redemptions of debt	180	(51)	(7)	122
Net income tax expense related to utilization of deferred income tax asset	—	72	—	72
Earnings from investment in RBS Sempra Commodities LLP	(50)	—	—	(50)
Sempra Adjusted Earnings				<u>\$ 2,637</u>
Diluted EPS:				
Weighted-average common shares outstanding, diluted				626,073
Sempra GAAP EPS				\$ 2.01
Sempra Adjusted EPS				<u>\$ 4.21</u>

⁽¹⁾ Except for adjustments that are solely income tax, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates. We record equity losses for our investment in Oncor Electric Delivery Holdings Company LLC net of income tax. We did not record an income tax expense for the equity earnings from our investment in RBS Sempra Commodities LLP because, even though a portion may be deductible under United Kingdom tax law, it is not probable that the deduction will reduce United Kingdom taxes.

Consolidated Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
Operating revenues:			
Natural gas	\$ 9,425	\$ 7,792	\$ 6,266
Electric	4,336	4,785	4,660
Total operating revenues	<u>13,761</u>	<u>12,577</u>	<u>10,926</u>
Operating expenses:			
Cost of natural gas	3,747	2,562	1,578
Cost of electric fuel and purchased power	445	994	1,069
Operation and maintenance	4,591	4,012	3,707
Aliso Canyon litigation and regulatory matters	—	259	1,593
Depreciation and amortization	1,937	1,743	1,605
Franchise fees and other taxes	659	620	573
Total operating expenses	<u>11,379</u>	<u>10,190</u>	<u>10,125</u>
Operating income	<u>2,382</u>	<u>2,387</u>	<u>801</u>
Other income, net:			
Allowance for equity funds used during construction	140	143	129
Non-service components of net periodic benefit cost	(99)	(53)	(53)
Interest on regulatory balancing accounts, net	79	26	6
Sundry, net	(27)	(32)	(32)
Total other income, net	<u>93</u>	<u>84</u>	<u>50</u>
Interest income	24	11	2
Interest expense	(782)	(647)	(569)
Income before income taxes	<u>1,717</u>	<u>1,835</u>	<u>284</u>
Income tax benefit (expense)	31	(320)	109
Net Income	<u>1,748</u>	<u>1,515</u>	<u>393</u>
Preferred dividends	(1)	(1)	(1)
Earnings attributable to common shares	<u>\$ 1,747</u>	<u>\$ 1,514</u>	<u>\$ 392</u>

Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2023	2022	2021
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 52	\$ 28	\$ 62
Accounts receivable – trade, net	1,855	2,094	1,799
Accounts receivable – other, net	243	403	136
Due from unconsolidated affiliates	2	5	1
Income taxes receivable, net	246	—	32
Inventories	430	293	295
Prepaid expenses	232	229	217
Regulatory assets	223	351	271
Fixed-price contracts and other derivatives	27	131	78
Greenhouse gas allowances	1,108	133	88
Other current assets	26	20	3
Total current assets	<u>4,444</u>	<u>3,687</u>	<u>2,982</u>
Other assets:			
Regulatory assets	3,683	2,510	1,934
Insurance receivable for Aliso Canyon costs	—	—	360
Greenhouse gas allowances	264	747	401
Nuclear decommissioning trusts	872	841	1,012
Right-of-use assets – operating leases	397	323	242
Wildfire fund	269	303	331
Other long-term assets	779	729	782
Total other assets	<u>6,264</u>	<u>5,453</u>	<u>5,062</u>
Property, plant and equipment:			
Property, plant and equipment	57,943	53,632	49,560
Less accumulated depreciation and amortization	(15,221)	(14,076)	(13,269)
Property, plant and equipment, net	<u>42,722</u>	<u>39,556</u>	<u>36,291</u>
Total assets	<u>\$ 53,430</u>	<u>\$ 48,696</u>	<u>\$ 44,335</u>

Consolidated Balance Sheets (Continued)



(Dollars in millions)	December 31,		
	2023	2022	2021
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities:			
Short-term debt	\$ 946	\$ 1,105	\$ 1,161
Accounts payable - trade	1,587	1,665	1,342
Accounts payable - other	216	208	163
Due to unconsolidated affiliates	90	99	86
Interest payable	139	122	92
Accrued compensation and benefits	358	349	350
Accrued franchise fees	169	175	121
Regulatory liabilities	550	504	359
Current portion of long-term debt and finance leases	964	807	60
Reserve for Aliso Canyon costs	31	129	1,980
Greenhouse gas obligations	1,108	133	88
Asset retirement obligations	189	166	163
Other current liabilities	636	508	410
Total current liabilities	6,983	5,970	6,375
Long-term debt and finance leases	15,741	14,277	12,354
Deferred credits and other liabilities:			
Regulatory liabilities	3,736	3,341	3,402
Greenhouse gas obligations	—	524	205
Pension obligation, net of plan assets	310	319	576
Deferred income taxes	4,459	3,846	3,314
Asset retirement obligations	3,552	3,464	3,309
Deferred credits and other	1,337	1,190	1,109
Total deferred credits and other liabilities	13,394	12,684	11,915
Shareholder's equity:			
Preferred stock	22	22	22
Common stock	3,976	3,976	3,326
Retained earnings	13,345	11,798	10,384
Accumulated other comprehensive income (loss)	(31)	(31)	(41)
Total shareholder's equity	17,312	15,765	13,691
Total liabilities and shareholder's equity	\$ 53,430	\$ 48,696	\$ 44,335

Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 1,748	\$ 1,515	\$ 393
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,937	1,743	1,605
Deferred income taxes and investment tax credits	147	239	(341)
Bad debt expense	406	116	42
Other	(47)	(46)	(37)
Net change in working capital components:			
Accounts receivable	(6)	(675)	(488)
Due to/from unconsolidated affiliates, net	(5)	10	8
Income taxes receivable/payable, net	(244)	32	(63)
Inventories	(137)	2	(37)
Other current assets	(1,070)	(219)	(21)
Accounts payable	(148)	344	188
Regulatory balancing accounts, net	260	36	249
Reserve for Aliso Canyon costs	(98)	(1,851)	1,532
Other current liabilities	1,176	247	(184)
Insurance Receivable for Aliso Canyon costs	—	360	85
Changes in noncurrent assets and liabilities, net	(594)	(578)	(522)
Net cash provided by operating activities	<u>3,325</u>	<u>1,275</u>	<u>2,409</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(4,560)	(4,466)	(4,204)
Purchases of nuclear decommissioning trust assets	(532)	(586)	(961)
Proceeds from sales of nuclear decommissioning trust assets	592	639	961
Other	8	8	7
Net cash used in investing activities	<u>(4,492)</u>	<u>(4,405)</u>	<u>(4,197)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(200)	(100)	(375)
Preferred dividends paid	(1)	(1)	(1)
Equity contribution from Sempra	—	650	800
Issuances of debt (maturities greater than 90 days)	2,386	3,489	1,120
Payments on debt (maturities greater than 90 days) and finance leases	(1,610)	(440)	(625)
Increase (decrease) in short-term debt, net	641	(481)	673
Debt issuance costs	(23)	(21)	(8)
Other	(2)	—	—
Net cash provided by financing activities	<u>1,191</u>	<u>3,096</u>	<u>1,584</u>
Increase (decrease) in cash and cash equivalents	24	(34)	(204)
Cash and cash equivalents, January 1	28	62	266
Cash and cash equivalents, December 31	<u>\$ 52</u>	<u>\$ 28</u>	<u>\$ 62</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 751	\$ 604	\$ 553
Income tax payments, net of refunds	82	48	294

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Selected Financial Data and Comparative Statistics



(Dollars in millions)	Years ended or at December 31,		
	2023	2022	2021
Net income/Earnings attributable to common shares	\$ 936	\$ 915	\$ 819
Common dividends to parent	\$ 100	\$ 100	\$ 300
Capital expenditures	\$ 2,540	\$ 2,473	\$ 2,220
Weighted-average rate base	\$ 15,220	\$ 13,780	\$ 12,527
FERC-authorized return on common equity	10.60 %	10.60 %	10.60 %
CPUC-authorized return on common equity	9.95 %	10.20 %	10.20 %
Achieved return on common equity	9.87 %	10.57 %	10.25 %
Electric volumes delivered (millions of kilowatt hours) ⁽¹⁾			
Residential	2,004	3,940	5,657
Commercial	1,868	2,850	4,128
Industrial	670	909	1,398
Street and highway lighting	77	101	115
	<u>4,619</u>	<u>7,800</u>	<u>11,298</u>
Community Choice Aggregation and Direct Access ⁽²⁾	<u>12,228</u>	<u>9,900</u>	<u>5,916</u>
Total	<u>16,847</u>	<u>17,700</u>	<u>17,214</u>
Cooling degree days	<u>626</u>	<u>1,036</u>	<u>812</u>
Electric customer meters (thousands)			
Residential	383	615	1,282
Commercial	41	72	72
Industrial	1	1	1
Street and highway lighting	2	3	4
	<u>427</u>	<u>691</u>	<u>1,359</u>
Community Choice Aggregation and Direct Access ⁽²⁾	<u>1,090</u>	<u>813</u>	<u>137</u>
Total	<u>1,517</u>	<u>1,504</u>	<u>1,496</u>

⁽¹⁾ Includes intercompany sales.

⁽²⁾ Several jurisdictions in SDG&E's territory have implemented Community Choice Aggregation, including the City of San Diego in 2022. Additional jurisdictions are in the process of implementing or considering Community Choice Aggregation.

Selected Financial Data and Comparative Statistics (Continued)



	Years ended or at December 31,		
	2023	2022	2021
Natural gas volumes delivered (billion cubic feet) ⁽¹⁾			
Residential	31	29	31
Commercial and industrial	28	27	25
Electric generation plants	28	28	28
Total	<u>87</u>	<u>84</u>	<u>84</u>
Core	53	49	50
Noncore	34	35	34
Total	<u>87</u>	<u>84</u>	<u>84</u>
Average cost of natural gas (per thousand cubic feet)	<u>\$ 11.05</u>	<u>\$ 8.01</u>	<u>\$ 5.30</u>
Heating degree days	<u>1,916</u>	<u>1,718</u>	<u>1,510</u>
Natural gas customer meters (thousands)			
Residential	883	878	874
Commercial	29	29	29
Electric generation and transportation	3	3	3
Total	<u>915</u>	<u>910</u>	<u>906</u>

⁽¹⁾ Includes intercompany sales.

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Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
Operating revenues:			
Electric	\$ 4,349	\$ 4,795	\$ 4,666
Natural gas	1,248	1,043	838
Total operating revenues	<u>5,597</u>	<u>5,838</u>	<u>5,504</u>
Operating expenses:			
Cost of electric fuel and purchased power	445	994	1,069
Cost of natural gas	532	363	242
Operation and maintenance	1,846	1,677	1,587
Depreciation and amortization	1,098	982	889
Franchise fees and other taxes	381	373	350
Total operating expenses	<u>4,302</u>	<u>4,389</u>	<u>4,137</u>
Operating income	<u>1,295</u>	<u>1,449</u>	<u>1,367</u>
Other income, net:			
Allowance for equity funds used during construction	86	88	81
Non-service components of net periodic benefit cost	(19)	(11)	(13)
Interest on regulatory balancing accounts, net	42	18	6
Sundry, net	(12)	(3)	(10)
Total other income, net	<u>97</u>	<u>92</u>	<u>64</u>
Interest income	15	5	1
Interest expense	(497)	(449)	(412)
Income before income taxes	910	1,097	1,020
Income tax benefit (expense)	26	(182)	(201)
Net income/Earnings attributable to common shares	<u>\$ 936</u>	<u>\$ 915</u>	<u>\$ 819</u>

Balance Sheets



(Dollars in millions)	December 31,		
	2023	2022	2021
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 50	\$ 7	\$ 25
Accounts receivable – trade, net	870	799	715
Accounts receivable – other, net	141	110	78
Income taxes receivable, net	236	—	9
Inventories	153	134	123
Prepaid expenses	165	179	174
Regulatory assets	19	247	231
Fixed-price contracts and other derivatives	25	113	58
Greenhouse gas allowances	158	22	13
Other current assets	6	19	5
Total current assets	<u>1,823</u>	<u>1,630</u>	<u>1,431</u>
Other assets:			
Regulatory assets	1,968	1,219	786
Greenhouse gas allowances	202	196	111
Nuclear decommissioning trusts	872	841	1,012
Right-of-use assets – operating leases	368	281	185
Wildfire fund	269	303	331
Other long-term assets	134	146	154
Total other assets	<u>3,813</u>	<u>2,986</u>	<u>2,579</u>
Property, plant and equipment:			
Property, plant and equipment	30,918	28,574	26,456
Less accumulated depreciation and amortization	<u>(7,369)</u>	<u>(6,768)</u>	<u>(6,408)</u>
Property, plant and equipment, net	<u>23,549</u>	<u>21,806</u>	<u>20,048</u>
Total assets	<u>\$ 29,185</u>	<u>\$ 26,422</u>	<u>\$ 24,058</u>

Balance Sheets (Continued)



(Dollars in millions)	December 31,		
	2023	2022	2021
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities:			
Short-term debt	\$ —	\$ 205	\$ 776
Accounts payable	808	744	588
Due to unconsolidated affiliates	73	135	97
Interest payable	81	63	50
Accrued compensation and benefits	145	140	148
Accrued franchise fees	112	120	74
Regulatory liabilities	447	110	14
Current portion of long-term debt and finance leases	441	489	49
Greenhouse gas obligations	158	22	13
Asset retirement obligations	116	98	86
Other current liabilities	216	193	216
Total current liabilities	<u>2,597</u>	<u>2,319</u>	<u>2,111</u>
Long-term debt and finance leases	<u>9,453</u>	<u>8,497</u>	<u>7,581</u>
Deferred credits and other liabilities:			
Regulatory liabilities	2,534	2,298	2,302
Greenhouse gas obligations	—	81	31
Pension obligation, net of plan assets	79	42	25
Deferred income taxes	2,873	2,540	2,275
Asset retirement obligations	778	789	804
Deferred credits and other	969	789	680
Total deferred credits and other liabilities	<u>7,233</u>	<u>6,539</u>	<u>6,117</u>
Shareholder's equity:			
Preferred stock	—	—	—
Common stock	1,660	1,660	1,660
Retained earnings	8,250	7,414	6,599
Accumulated other comprehensive income (loss)	(8)	(7)	(10)
Total shareholder's equity	<u>9,902</u>	<u>9,067</u>	<u>8,249</u>
Total liabilities and shareholder's equity	<u>\$ 29,185</u>	<u>\$ 26,422</u>	<u>\$ 24,058</u>

Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 936	\$ 915	\$ 819
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,098	982	889
Deferred income taxes and investment tax credits	135	93	153
Bad debt expense	112	46	16
Other	(35)	(34)	(30)
Net change in working capital components:			
Accounts receivable	(213)	(163)	(105)
Due to/from unconsolidated affiliates, net	(62)	38	33
Income taxes receivable/payable, net	(236)	9	(20)
Inventories	(19)	(11)	(19)
Other current assets	(17)	(80)	—
Accounts payable	31	153	7
Regulatory balancing accounts, net	571	(10)	(57)
Other current liabilities	129	62	(92)
Changes in noncurrent assets and liabilities, net	(494)	(271)	(218)
Net cash provided by operating activities	<u>1,936</u>	<u>1,729</u>	<u>1,376</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(2,540)	(2,473)	(2,220)
Purchases of nuclear decommissioning trust assets	(532)	(586)	(961)
Proceeds from sales of nuclear decommissioning trust assets	592	639	961
Other	8	8	7
Net cash used in investing activities	<u>(2,472)</u>	<u>(2,412)</u>	<u>(2,213)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(100)	(100)	(300)
Issuances of debt (maturities greater than 90 days)	1,389	1,395	1,120
Payments on debt (maturities greater than 90 days) and finance leases	(490)	(425)	(613)
(Decrease) increase in short-term debt, net	(205)	(196)	401
Debt issuance costs	(13)	(9)	(8)
Other	(2)	—	—
Net cash provided by financing activities	<u>579</u>	<u>665</u>	<u>600</u>
Increase (decrease) in cash and cash equivalents	43	(18)	(237)
Cash and cash equivalents, January 1	7	25	262
Cash and cash equivalents, December 31	<u>\$ 50</u>	<u>\$ 7</u>	<u>\$ 25</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 472	\$ 431	\$ 402
Income tax payments, net of refunds	76	79	67

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Selected Financial Data and Comparative Statistics



(Dollars in millions, except average cost of natural gas)	Years ended or at December 31,		
	2023	2022	2021
Net income (loss) (before preferred dividends)	\$ 812	\$ 600	\$ (426)
Earnings (losses) attributable to common shares	\$ 811	\$ 599	\$ (427)
Common dividends to parent	\$ 100	\$ —	\$ 75
Capital expenditures	\$ 2,020	\$ 1,993	\$ 1,984
Weighted-average rate base	\$ 11,671	\$ 10,494	\$ 9,371
CPUC-authorized rate of return on:			
Rate base	7.10 %	7.30 %	7.30 %
Common equity	9.80 %	10.05 %	10.05 %
Achieved return on common equity	11.53 %	9.90 %	(8.10)%
Natural gas volumes delivered (billion cubic feet) ⁽¹⁾			
Residential	228	213	226
Commercial and industrial	359	356	369
Electric generation plants	152	182	151
Wholesale	131	139	136
Total	<u>870</u>	<u>890</u>	<u>882</u>
Core	347	326	336
Noncore	523	564	546
Total	<u>870</u>	<u>890</u>	<u>882</u>
Average cost of natural gas (per thousand cubic feet)	\$ 10.47	\$ 7.48	\$ 4.53
Heating degree days	<u>1,446</u>	<u>1,203</u>	<u>1,251</u>
Natural gas customer meters (thousands)			
Residential	5,891	5,857	5,824
Commercial	248	249	248
Industrial	24	24	25
Total ⁽²⁾	<u>6,163</u>	<u>6,130</u>	<u>6,097</u>

⁽¹⁾ Includes intercompany sales.

⁽²⁾ Includes negligible number of electric generation plants and wholesale customers.

Statements of Operations



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
Operating revenues	\$ 8,289	\$ 6,840	\$ 5,515
Operating expenses:			
Cost of natural gas	3,264	2,233	1,369
Operation and maintenance	2,821	2,402	2,180
Aliso Canyon litigation and regulatory matters	—	259	1,593
Depreciation and amortization	839	761	716
Franchise fees and other taxes	278	247	223
Total operating expenses	7,202	5,902	6,081
Operating income (loss)	1,087	938	(566)
Other expense, net:			
Allowance for equity funds used during construction	54	55	48
Non-service component of net periodic benefit cost	(80)	(42)	(40)
Interest on regulatory balancing accounts, net	37	8	—
Sundry, net	(15)	(29)	(22)
Total other expense, net	(4)	(8)	(14)
Interest income	9	6	1
Interest expense	(285)	(198)	(157)
Income (loss) before income taxes	807	738	(736)
Income tax benefit (expense)	5	(138)	310
Net income (loss)	812	600	(426)
Preferred dividends	(1)	(1)	(1)
Earnings (losses) attributable to common shares	\$ 811	\$ 599	\$ (427)

Balance Sheets



(Dollars in millions)	December 31,		
	2023	2022	2021
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2	\$ 21	\$ 37
Accounts receivable – trade, net	985	1,295	1,084
Accounts receivable – other, net	102	293	58
Due from unconsolidated affiliates	22	77	49
Inventories	277	159	172
Regulatory assets	204	104	40
Greenhouse gas allowances	950	111	75
Other current assets	100	69	84
Total current assets	<u>2,642</u>	<u>2,129</u>	<u>1,599</u>
Other assets:			
Regulatory assets	1,715	1,291	1,148
Insurance receivable for Aliso Canyon costs	—	—	360
Greenhouse gas allowances	62	551	290
Right-of-use assets – operating leases	29	42	57
Other long-term assets	645	583	627
Total other assets	<u>2,451</u>	<u>2,467</u>	<u>2,482</u>
Property, plant and equipment:			
Property, plant and equipment	27,025	25,058	23,104
Less accumulated depreciation and amortization	(7,852)	(7,308)	(6,861)
Property, plant and equipment, net	<u>19,173</u>	<u>17,750</u>	<u>16,243</u>
Total assets	<u>\$ 24,266</u>	<u>\$ 22,346</u>	<u>\$ 20,324</u>

Balance Sheets (Continued)



(Dollars in millions)	December 31,		
	2023	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	\$ 946	\$ 900	\$ 385
Accounts payable – trade	811	953	775
Accounts payable – other	184	176	142
Due to unconsolidated affiliates	38	36	36
Accrued compensation and benefits	213	209	202
Regulatory liabilities	103	394	345
Current portion of long-term debt and finance leases	523	318	11
Reserve for Aliso Canyon costs	31	129	1,980
Greenhouse gas obligations	950	111	75
Asset retirement obligations	73	68	77
Other current liabilities	535	429	284
Total current liabilities	<u>4,407</u>	<u>3,723</u>	<u>4,312</u>
Long-term debt and finance leases	<u>6,288</u>	<u>5,780</u>	<u>4,773</u>
Deferred credits and other liabilities:			
Regulatory liabilities	1,202	1,043	1,100
Greenhouse gas obligations	—	443	174
Pension obligation, net of plan assets	231	277	551
Deferred income taxes	1,586	1,306	1,039
Asset retirement obligations	2,774	2,675	2,505
Deferred credits and other	368	401	428
Total deferred credits and other liabilities	<u>6,161</u>	<u>6,145</u>	<u>5,797</u>
Shareholders' equity:			
Preferred stock	22	22	22
Common stock	2,316	2,316	1,666
Retained earnings	5,095	4,384	3,785
Accumulated other comprehensive income (loss)	(23)	(24)	(31)
Total shareholders' equity	<u>7,410</u>	<u>6,698</u>	<u>5,442</u>
Total liabilities and shareholders' equity	<u>\$ 24,266</u>	<u>\$ 22,346</u>	<u>\$ 20,324</u>

Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ 812	\$ 600	\$ (426)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	839	761	716
Deferred income taxes and investment tax credits	12	146	(494)
Bad debt expense	294	70	26
Other	(12)	(12)	(7)
Net change in working capital components:			
Accounts receivable	207	(512)	(383)
Due to/from unconsolidated affiliates, net	57	(28)	(25)
Income taxes receivable/payable, net	(8)	23	(43)
Inventories	(118)	13	(18)
Other current assets	(1,053)	(139)	(21)
Accounts payable	(179)	191	181
Regulatory balancing accounts, net	(311)	46	306
Reserve for Aliso Canyon costs	(98)	(1,851)	1,532
Other current liabilities	1,047	185	(92)
Insurance receivable for Aliso Canyon costs	—	360	85
Changes in other noncurrent assets and liabilities, net	(100)	(307)	(304)
Net cash provided by (used in) operating activities	<u>1,389</u>	<u>(454)</u>	<u>1,033</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(2,020)	(1,993)	(1,984)
Net cash used in investing activities	<u>(2,020)</u>	<u>(1,993)</u>	<u>(1,984)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	(100)	—	(75)
Preferred dividends paid	(1)	(1)	(1)
Equity contributions from Sempra	—	650	800
Issuances of debt (maturities greater than 90 days)	997	2,094	—
Payments on debt (maturities greater than 90 days) and finance leases	(1,120)	(15)	(12)
Increase (decrease) in short-term debt, net	846	(285)	272
Debt issuance costs	(10)	(12)	—
Net cash provided by financing activities	<u>612</u>	<u>2,431</u>	<u>984</u>
(Decrease) increase in cash and cash equivalents	(19)	(16)	33
Cash and cash equivalents, January 1	21	37	4
Cash and cash equivalents, December 31	<u>\$ 2</u>	<u>\$ 21</u>	<u>\$ 37</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest payments, net of amounts capitalized	\$ 279	\$ 173	\$ 151
Income tax payments (refunds), net	6	(31)	227

Sempra Texas Utilities
Selected Financial Data and Comparative Statistics



(Dollars in millions)	Years ended December 31,					
	2023		2022		2021	
	Oncor Holdings	Sharyland Holdings	Oncor Holdings	Sharyland Holdings	Oncor Holdings	Sharyland Holdings
Total investments at January 1	\$ 13,665	\$ 107	\$ 12,947	\$ 100	\$ 12,440	\$ 102
Capital contributions	363	4	341	5	566	—
Equity earnings	694	7	735	7	617	5
Distributions of earnings	(441)	(4)	(340)	(5)	(681)	(7)
Other	(15)	—	(18)	—	5	—
Total investments at December 31	\$ 14,266	\$ 114	\$ 13,665	\$ 107	\$ 12,947	\$ 100

	Years ended or at December 31,		
	2023	2022	2021
Oncor⁽¹⁾:			
Capital expenditures	\$ 3,824	\$ 3,049	\$ 2,497
Average rate base ⁽²⁾	\$ 21,938	\$ 19,814	\$ 18,024
PUCT-authorized return on equity	9.7 %	9.8 %	9.8 %
Electric volumes (millions of kilowatt hours)			
Residential	47,112	49,648	44,059
Commercial, industrial, small business and other	109,365	99,612	90,998
Total	156,477	149,260	135,057
Cooling degree days	2,268	2,204	1,636
Heating degree days	608	971	772
Total electric customer meters (thousands)	3,969	3,896	3,832

⁽¹⁾ Includes 100% of Oncor.

⁽²⁾ Average rate base represents the average of total rate base for the last two years as calculated in the Earnings Monitoring Report that is filed with the Public Utility Commission of Texas (PUCT) on an annual basis, usually in April of the following year. The estimated total rate base for 2023 was \$23,137 million and the filed total rate base for 2022 and 2021 were \$20,739 million and \$18,889 million, respectively.

Sempra Texas Utilities is not the same company as SDG&E and SoCalGas (collectively, Sempra California), and Sempra Texas Utilities is not regulated by the California Public Utilities Commission.

Consolidated Statements of Operations and Statistics



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
Operating revenues:			
Utility – natural gas	\$ 87	\$ 89	\$ 81
Energy-related businesses	2,984	1,830	1,916
Total operating revenues	<u>3,071</u>	<u>1,919</u>	<u>1,997</u>
Operating expenses:			
Utility – cost of natural gas	8	37	24
Energy-related businesses cost of sales	548	942	608
Operation and maintenance	793	656	550
Depreciation and amortization	281	268	239
Other taxes	12	7	14
Total operating expenses	<u>1,642</u>	<u>1,910</u>	<u>1,435</u>
Operating income	<u>1,429</u>	<u>9</u>	<u>562</u>
Other income (expense), net:			
Gains (losses) on interest rate and foreign exchange instruments, net	4	11	(28)
Allowance for equity funds used during construction	—	—	4
Foreign currency transaction gains (losses), net	1	(22)	(17)
Sundry, net	5	11	5
Total other income (expense), net	<u>10</u>	<u>—</u>	<u>(36)</u>
Interest income	43	44	75
Interest expense	(129)	(104)	(205)
Income (losses) before income taxes and equity earnings	<u>1,353</u>	<u>(51)</u>	<u>396</u>
Income tax expense	(673)	(249)	(238)
Equity earnings	740	756	671
Net income	<u>1,420</u>	<u>456</u>	<u>829</u>
Earnings attributable to noncontrolling interests	(543)	(146)	(147)
Earnings attributable to common shares	<u>\$ 877</u>	<u>\$ 310</u>	<u>\$ 682</u>
Natural Gas Distribution Operations - Ecogas México, S. de R.L. de C.V.			
Volumes delivered (billion cubic feet)	<u>4</u>	<u>4</u>	<u>3</u>
Customer meters (thousands)	<u>157</u>	<u>150</u>	<u>143</u>
Power Generated and Sold			
Termoeléctrica de Mexicali (millions of kilowatt hours)	<u>3,086</u>	<u>3,110</u>	<u>3,382</u>
Wind and solar (millions of kilowatt hours) ⁽¹⁾⁽²⁾	<u>3,135</u>	<u>2,987</u>	<u>2,510</u>

⁽¹⁾ Includes intercompany sales.

⁽²⁾ Includes 50% of the total power generated and sold at the Energía Sierra Juárez wind power generation facility through March 19, 2021. As of March 19, 2021, Energía Sierra Juárez became a consolidated subsidiary of Sempra Infrastructure.

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Consolidated Balance Sheets



(Dollars in millions)	December 31,		
	2023	2022	2021
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 180	\$ 123	\$ 310
Restricted cash	47	39	17
Accounts receivable	613	815	527
Due from affiliates	15	27	152
Income taxes receivable	59	130	56
Inventories	52	111	94
Fixed-price contracts and other derivatives	95	672	101
Greenhouse gas allowances	81	8	9
Other current assets	71	63	62
Total current assets	1,213	1,988	1,328
Restricted cash	104	52	3
Due from affiliates	1,028	1,020	1,632
Regulatory assets	88	78	77
Investments	2,129	1,905	1,425
Goodwill and other intangible assets	1,920	1,946	1,972
Deferred income taxes	80	72	71
Right-of-use assets – operating leases	164	164	180
Property, plant and equipment, net	12,204	8,184	7,560
Other long-term assets	500	351	160
Total assets	\$ 19,430	\$ 15,760	\$ 14,408
LIABILITIES AND EQUITY			
Current liabilities:			
Short-term debt	\$ 1,031	\$ 1,793	\$ 1,070
Accounts payable	606	356	310
Due to affiliates	288	337	86
Current portion of long-term debt	11	212	46
Contract liabilities	2	41	112
Fixed-price contracts and other derivatives	11	210	37
Greenhouse gas obligations	81	8	9
Other current liabilities	577	311	494
Total current liabilities	2,607	3,268	2,164
Long-term debt	3,558	3,056	2,746
Deferred credits and other liabilities:			
Due to affiliates	426	427	305
Deferred income taxes	1,928	1,747	1,682
Contract liabilities	121	131	83
Fixed-price contracts and other derivatives	4	94	134
Deferred credits and other	435	297	282
Total deferred credits and other liabilities	2,914	2,696	2,486
Equity:			
Sempra Infrastructure shareholder's equity	5,392	4,619	5,594
Noncontrolling interests	4,959	2,121	1,418
Total equity	10,351	6,740	7,012
Total liabilities and equity	\$ 19,430	\$ 15,760	\$ 14,408

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Consolidated Statements of Cash Flows



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 1,420	\$ 456	\$ 829
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	281	268	239
Deferred income taxes and investment tax credits	191	119	(31)
Equity earnings	(740)	(756)	(671)
Foreign currency transaction (gains) losses, net	(1)	23	17
Fixed-price contracts and other derivatives	(666)	863	208
Bad debt expense	52	6	5
Other	38	24	20
Net change in working capital components:			
Accounts receivable	169	(299)	(107)
Due to/from unconsolidated affiliates, net	(43)	251	13
Income taxes receivable/payable, net	368	(291)	174
Inventories	57	(20)	(50)
Other current assets	1,079	(1,392)	(191)
Accounts payable	(108)	80	83
Other current liabilities	34	(35)	116
Distributions from investments	467	509	623
Changes in other noncurrent assets and liabilities, net	53	22	19
Net cash provided by (used in) operating activities	<u>2,651</u>	<u>(172)</u>	<u>1,296</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(3,832)	(884)	(802)
Expenditures for investments and acquisitions, net of cash and cash equivalents acquired	(15)	(30)	(67)
Proceeds from sale of assets	1	—	—
Distributions from investments	—	—	4
Repayments of advances to affiliates	—	626	38
Advances to affiliates	(8)	(25)	(3,864)
Other	(2)	(2)	(3)
Net cash used in investing activities	<u>\$ (3,856)</u>	<u>\$ (315)</u>	<u>\$ (4,694)</u>

Consolidated Statements of Cash Flows (Continued)



(Dollars in millions)	Years ended December 31,		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Common dividends paid	\$ (1,808)	\$ (2,452)	\$ —
Issuances of common stock, net	1,550	7	3
Issuances of debt (maturities greater than 90 days)	3,366	4,925	1,664
Payments on debt (maturities greater than 90 days)	(4,012)	(3,748)	(1,664)
Proceeds from sales of noncontrolling interests, net	1,219	1,732	3,206
Purchases of noncontrolling interests	—	—	(224)
Distributions to noncontrolling interests	(730)	(237)	—
Contributions from noncontrolling interests	1,766	31	4
Advances from affiliates	115	116	457
Settlement of cross-currency swaps	(99)	—	—
Other	(51)	(4)	(69)
Net cash provided by financing activities	<u>1,316</u>	<u>370</u>	<u>3,377</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>6</u>	<u>1</u>	<u>2</u>
Increase (decrease) in cash, cash equivalents and restricted cash	117	(116)	(19)
Cash, cash equivalents and restricted cash, January 1	214	330	349
Cash, cash equivalents and restricted cash, December 31	<u>\$ 331</u>	<u>\$ 214</u>	<u>\$ 330</u>

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Annual Report

Semptra's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission is available to shareholders at no charge by writing to the company's Shareholder Services Department, or on the company's website at Semptra.com.

Research Coverage

The following firms provide equity investment research coverage of Semptra:

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Citi
Evercore ISI
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