



Sustainability Report  
2023  
Highlights



# Contents

02 About

03 Message from leadership

04 By the numbers

05 Doing business sustainably

06 Investing in safe and resilient operations

08 Engaging people and communities

10 Innovating for the future

12 Conclusion

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## About

SoCalGas aims to deliver affordable, reliable and increasingly renewable gas service.

Like other investor-owned utilities in the state, Southern California Gas Company's (SoCalGas) operations are regulated by the California Public Utilities Commission (CPUC or Commission) and other state and federal agencies. With over 100,000 miles of transmission and distribution<sup>1</sup> pipelines, the company expects to continue to play a key role in delivering reliable energy to approximately 21 million consumers across approximately 24,000

square miles of Southern California and portions of Central California in support of the state's climate goals.

As the nation's largest gas distribution utility,<sup>2</sup> SoCalGas' mission is to build the cleanest, safest and most innovative energy infrastructure company in America. It is the company's belief that every Californian deserves a clean, affordable and resilient energy future. SoCalGas is working to help achieve that future by investing in innovation to advance decarbonization, leveraging infrastructure to provide reliable and flexible energy delivery and

collaborating with partners and stakeholders for a brighter energy future for all.

Three core values guide SoCalGas: *do the right thing, champion people and shape the future*. These values permeate company operations and are the lens through which SoCalGas sees every opportunity and challenge. With this strong foundation, the company's mission statement presents an actionable framework of purpose and intent.

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[About SoCalGas](#)

<sup>1</sup> Includes service pipelines.

<sup>2</sup> Based on total customers and sales revenues reported in American Gas Association's (AGA) Utility Rankings by Volumes, Revenues and Customers 2022 Report.

# Message from leadership

Every Californian deserves a clean, safe, affordable and resilient energy future.

Approximately 21 million consumers count on SoCalGas for their energy needs, and in service to our customers, we aim to build the cleanest, safest, most innovative energy infrastructure company in America. As California navigates the opportunities and challenges of the global energy transition, SoCalGas is making great strides to help advance the Golden State's climate goals through our ASPIRE 2045 Sustainability Strategy.



Last year the company continued progress on our aspiration to achieve net-zero greenhouse gas (GHG) emissions in our operations and delivery of energy by 2045, in particular on the aim to exceed the state's requirement to reduce methane emissions by 40% from a 2015 baseline by 2030. We are near achieving the latter of these two objectives and making progress toward others. We continue to support and encourage customers in their sustainability journeys, and our energy efficiency programs – some of the largest in the nation – saved customers over 46 million gas therms in 2023. This savings equates to the annual gas consumption of approximately 115,000 homes.

In 2023, we published [The Evolution of Clean Fuels in California](#), an energy reliability analysis. The report underscores the potential value and flexibility of clean fuels,<sup>1</sup> such as hydrogen and renewable natural gas (RNG), detailing how they are poised to help keep the electric grid reliable as California scales up intermittent renewable resources and as electric demand increases.

SoCalGas is also a proud partner of the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES), a statewide public-private partnership. The CPUC directed SoCalGas to join the ARCHES initiative as part of the Commission's approval of

Phase One of Angeles Link, SoCalGas' proposed clean renewable hydrogen<sup>2</sup> open access pipeline system. Additionally, earlier this year, SoCalGas, along with three other California gas utilities, filed an application with the CPUC to develop a series of hydrogen blending projects. SoCalGas' projects seek to demonstrate that blending clean renewable hydrogen into the natural gas system can be a safe and effective way to reduce greenhouse gas emissions, improve air quality and begin to scale up hydrogen. Investment in clean fuels, in addition to continued investment in today's gas infrastructure, can help support the safe and reliable delivery of increasingly clean molecules.

SoCalGas' ASPIRE 2045 Sustainability Strategy sets the intended path to achieve a clean, safe, affordable and resilient energy future through innovation, collaboration and decarbonization.

Thank you for engaging with us to build a more sustainable and equitable energy future for all.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jawaad A. Malik'. The signature is fluid and cursive.

**Jawaad A. Malik**  
Chief Strategy and Sustainability Officer  
SoCalGas

<sup>1</sup> In this study, "clean fuels" are defined as alternative fuels that have a net-zero carbon footprint. Hydrogen, biogas, synthetic natural gas, biofuels and several synthetic gaseous and liquid fuels fall in that category as long as their production process and their end use do not lead to net-positive CO<sub>2</sub> emissions.

<sup>2</sup> D.22-12-055 defines clean renewable hydrogen as hydrogen that is not produced using fossil fuel and that does not exceed a standard of four kilograms of carbon dioxide equivalent produced on a lifecycle basis per kilogram of hydrogen produced.

## 2023 by the numbers

# 39%

**reduction in methane emissions** through 2022,<sup>1</sup> surpassing 2025 state goal of 20% and nearing 2030 goal of 40%<sup>2</sup>

# 100%

**green tariff enrollment** for grid-connected company facilities where local electric utility green tariff program is available<sup>3</sup>

# 38%

**alternative fuel vehicle conversion of** over-the-road fleet, with aims of 100% zero-emission over-the-road fleet by 2035<sup>4</sup>

# 100%

**RNG delivered** through SoCalGas compressed natural gas refueling stations

# \$1.02B

**procurement with diverse suppliers** making up 44% of total procurement<sup>5</sup>

# 100%

**eligible customers enrolled in support,** enhancing energy access and affordability<sup>6</sup>

# 10

**RNG interconnections** are supplying renewable gas to SoCalGas' pipeline network

# 47.3M

**therms avoided** by customers through energy efficiency programs<sup>7</sup>

# 26%

**reduction in pipeline excavation damage rate** supporting safety and progressing toward 2030 target of a 40% reduction<sup>8</sup>

<sup>1</sup> Based on third-party verification under ISO 14064-3:2019 Standard using a 2015 baseline calculation of methane emissions (fugitive and vented emissions) through 2022.

<sup>2</sup> Based on goals established in California Senate Bill (SB) 1371 and SB 1383.

<sup>3</sup> Reflective of facilities where local electric utility green tariff program is available, representing approximately 86% of all grid-connected company facilities.

<sup>4</sup> Over-the-road fleet refers to light-, medium-, and/or heavy-duty company fleet vehicles.

<sup>5</sup> SoCalGas 2023 Supplier Diversity Report. SoCalGas' 44% for 2023 surpassed the CPUC goal to spend 22.5% with diverse business enterprises.

<sup>6</sup> The California Alternative Rates for Energy (CARE) Program is available for eligible low-income customers to receive a 20% discount on their natural gas bill. The CPUC sets CARE enrollment rate goals for each regulated utility, which may vary by year. 2023 figures reflect enrollment rates of 110% for SoCalGas, calculated based on actual customer enrollment against an estimated total of income-eligible customers as determined and defined by the CPUC.

<sup>7</sup> 2023 Energy Efficiency (EE) Annual Report. The 2023 CPUC goal was 43M therms avoided by customers.

<sup>8</sup> Reduction is based on a 2020 baseline. Attaining the 2030 target will require continued program expansion including hiring additional Damage Prevention Analysts and implementing improvement initiatives such as the 811 Ambassador Program.

# Doing business sustainably



**Investing in safe and resilient operations**



**Engaging people and communities**



**Innovating for the future**



SoCalGas' sustainability strategy is anchored by its core values of *doing the right thing*, *championing people* and *shaping the future*. SoCalGas aligns with the three key areas of Sempra's sustainable business strategy of investing in safe and resilient operations, engaging people and communities and innovating for the future.

The company strives to keep stakeholders informed on sustainability progress. SoCalGas reports key sustainability information annually through Sempra's Corporate Sustainability Report and is working to achieve a safe, increasingly clean, affordable and resilient energy future.

Investing in innovation to help advance decarbonization, leveraging infrastructure to provide reliable and flexible energy delivery, and collaborating with partners and stakeholders can lead to a brighter energy future for all.

[SoCalGas' sustainability strategy](#)



## Investing in safe and resilient operations

### New approaches to methane emissions reductions

SoCalGas has a long history of striving to modernize its system infrastructure to increase safety and reliability and reduce methane emissions. Two key initiatives driving success in this space are reducing blowdown activities and the electronic leak survey (ELS) project.

Blowdown refers to the release of gas from a pipeline to make it safe to perform certain types of maintenance and other activities and blowdown reductions have been key in reducing scope 1 GHG emissions, which are direct emissions from sources owned or controlled by SoCalGas. In 2023, blowdown reduction activities prevented approximately 328,000 MCF of natural gas from being released to the atmosphere. This is equivalent to eliminating over 39,000 cars on the road for a year.<sup>1</sup>

Additionally, the ELS project, which advances methane leak detection and mitigation by superseding outdated paper maps with mobile tablets equipped with cutting-edge Geographic Information System maps. Teams can now view and document leaks on-the-go, using a customized mobile application and dashboard that boosts efficiency by auto-generating work orders and enhancing workflows. Since its implementation in late 2022, this digital leap has already improved leak response times resulting in approximately 13% faster repair of critical leaks.<sup>2</sup>

The ability to safely conduct important pipeline work with reduced methane emissions and elevate leak detection technologies enhances system and public safety and highlights environmental stewardship.

### Supporting customers during extreme weather events

During the winter season of 2022-2023, the western United States and Canada experienced a series of extreme weather events. California, in particular, was impacted by nine atmospheric rivers between December 2022 and January 2023, a bomb cyclone event and record levels of rain and snowfall, which led to the coldest winter season in the SoCalGas service territory in almost 40 years.<sup>3</sup> These conditions resulted in increased demand for natural gas during the winter season due to high heating demand combined with natural gas-fired electric generation, which is necessary when renewable energy generation is limited due to cloudy and stormy conditions. Despite these challenges, SoCalGas infrastructure demonstrated its resilience to serve the increased demand reliably without localized or system-wide outages.

<sup>1</sup> Environmental Protection Agency (EPA) Greenhouse Gas Equivalency Calculator results for MCF of methane to equivalent GHG emissions from gasoline-powered passenger vehicles driven for one year. This represents an estimate as of a point in time and future changes or updates to the EPA calculator may impact the results. Conversion of MCF volume of natural gas (NG) to equivalent mass of methane (CH<sub>4</sub>) (approximate): 328,000 MCF-NG \* 17.9328 = 5,881,958 kg-CH<sub>4</sub>.

<sup>2</sup> Includes (1) leaks with existing or probable hazard to persons or property that require prompt action to remediate the hazard and (2) leaks that are recognized as being not-hazardous at the time of detection, but justify scheduled repair.

<sup>3</sup> Measured by heating degree days.

Moreover, when a massive snowstorm hit the Lake Arrowhead community in March 2023, burying homes and businesses in the San Bernardino Mountains area under up to nine feet of snow, SoCalGas responded quickly. Over 180 team members worked with first responders and service providers to safely assist over 800 customers. The SoCalGas team collaborated with the San Bernardino Fire County 911 Dispatch to address call center responses, improving public and system safety. The company used innovative technologies and approaches to strengthen emergency response efforts, such as Aerial Methane Mapping helicopters equipped with gas mapping technology, a suite of methane detection sensors, high-resolution color cameras, a precision GPS navigation system, and Advanced Metering Infrastructure consumption data to identify potential safety hazards and safely allocate resources where they were most needed. SoCalGas' response to these extreme weather events demonstrates the company's focus on safety, technology, continuous learning and improvement.







# Engaging people and communities



## Leaders that shape the future

As part of organizational sustainable business practices, SoCalGas strives to create an inclusive and equitable workplace that drives a safe and innovative culture where all employees are respected, feel a genuine sense of belonging and are positioned for high performance. SoCalGas works to develop diverse and innovative leaders who can help the company shape the future of energy infrastructure in California.

SoCalGas' Leadership Excellence & Accelerated Development (LEAD) Program is a development series designed to provide those in leadership roles<sup>1</sup> with enriching experiences to enhance their leadership skills. The LEAD series is continually evolving and updated to address current leadership challenges and build inclusive and innovative teams. Leveraging a wide variety of learning opportunities, the LEAD series covers topics such as psychological

safety and healthy safety culture, managing conflict and leveraging diversity to yield the best ideas from the company's workforce. In 2023, over 270 leaders took part in LEAD and their feedback strongly indicated participants felt they were more effective leaders as a result of the program.

Additionally, SoCalGas recently rolled out two exciting professional development programs for union-represented employees. First, the Management and Associate Preparation Program (MAPP) supports union employees interested in pursuing management or associate roles and facilitates a smoother transition. Second, the company launched the Leadership Development Program to build participants' understanding of foundational leadership skills and concepts, to help them strategize to increase individual and team effectiveness and to teach participants how to influence positive team dynamics using effective communication.

By receiving practical tools to apply on the job, SoCalGas is engaging leaders throughout the company to propel their careers and to help meet company objectives and advance the energy transition.

## Building a brighter, cleaner future

SoCalGas is committed to investing in the communities it serves and navigating climate change challenges. The SoCal Climate Champions Grant initiative recognizes projects, programs and research submissions that address climate solutions for communities in the company's service territory. SoCalGas has invested in grants supporting innovative climate solutions through various programs since 2015 and awarded 13 organizations up to \$40,000 each in 2023. The grants aim to support projects that can reduce, mitigate or sequester GHG emissions. Grant recipients are striving to implement climate solutions that closely

<sup>1</sup> "Leadership role" is defined as a management position of supervisor, team lead, manager, director and/or officer of SoCalGas.

align with the utility's sustainability strategy, and SoCalGas is proud to support projects that can bring communities closer to meeting California's net-zero GHG emissions goals.

### Community stakeholder empowerment

SoCalGas engages with underserved communities through the CPUC's Climate Adaptation proceeding. The company is currently assessing climate change impacts to infrastructure and focusing on engagement with Disadvantaged and Vulnerable Communities (DVC) to understand the circumstances that may impact a community's ability to adapt to the challenges posed by climate change.

As part of developing a tailored Community Engagement Plan (CEP) in the course of the proceeding, the company held a series of workshops in 2023 and is partnering with a variety of organizations, soliciting community feedback and climate change concerns from stakeholders including DVCs, Tribal Nations, community-based organizations, local governments and community members. These groups represent SoCalGas' service territory both geographically and demographically, and the utility is committed to supporting equity and resiliency in seeking to further understand the adaptive capacity of disadvantaged communities.

SoCalGas plans to continue collaborating with key stakeholders and communities served to identify



and prioritize investments that can mitigate climate change impacts and make energy infrastructure and communities more resilient.

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[Climate Adaptation Program](#)

[SoCal Climate Champions Grant](#)



# Innovating for the future



## Working with regulators to support climate aspirations

### Decarbonization

SoCalGas engages with regulators and policymakers to support the company's sustainability strategy and California's climate goals, including the advancement of clean fuels.

Recent hydrogen efforts include securing regulatory approval to track costs for advancing the first phase<sup>1</sup> of Angeles Link, SoCalGas' proposed clean renewable hydrogen energy pipeline system that could deliver clean, reliable, renewable energy to Central and Southern California. Additionally, the utility applied for regulatory authority to demonstrate blending hydrogen into the natural gas system to reduce GHG emissions and improve air quality.<sup>2</sup>

SoCalGas is similarly advancing the use of RNG,<sup>3</sup> which the company procures on behalf of core customers.<sup>4</sup> Commercial and industrial customers, as well as municipalities, can also participate in a voluntary program whereby they may designate that all, or a portion of their natural gas service, be provided from RNG sources.<sup>5</sup> SoCalGas currently has 10 operational RNG connections to the gas system, including eight dairy clusters and two landfill diverted organic waste facilities.

SoCalGas believes that advancements in clean fuels can offer a solution to help keep the electric grid reliable as California scales up intermittent renewable resources and as electric demand increases.

## Carbon management solutions to support net-zero emissions aim

### Diversification

Carbon management is the process of capturing carbon dioxide (CO<sub>2</sub>) that has already been or would otherwise be released into the atmosphere from different sources including industrial activity, and processing it for safe, secure and permanent storage and/or utilization. Carbon management is a component of a developing suite of tools focused on supporting the company's overall sustainability strategy to reach net-zero GHG emissions by 2045. Many scientists and policymakers generally agree that carbon management along with clean fuels and electrification will be necessary to help achieve a cleaner energy future.<sup>6, 7, 8</sup>

<sup>1</sup> Includes preliminary front-end engineering and design (FEED) and feasibility studies cost tracking.

<sup>2</sup> Hydrogen Blending Demonstration Project to test blending 0.1-5% hydrogen with natural gas in an open system and 5-20% hydrogen with natural gas in a closed system.

<sup>3</sup> RNG is produced by capturing and upgrading biogas including sources emitted from organic waste in landfills, wastewater treatment plants and from agricultural and livestock farms amongst other biogas sources.

<sup>4</sup> Renewable Gas Procurement Standard is a mandatory RNG procurement program on behalf of core customers pursuant to California SB 1440. Core customers are customers receiving "core service" as defined in SoCalGas' Tariff Rule No.23.

<sup>5</sup> Voluntary RNG Tariff. "Tariffs" refer collectively to the sheets that a utility must file, maintain, and publish as directed by the Commission, and that set forth the terms and conditions of the utility's services to its customers.

<sup>6</sup> The California Air Resources Board (CARB) 2022 Scoping Plan set a CO<sub>2</sub> removal and capture target of 20 MMT for 2030 and 100 MMT for 2045.

<sup>7</sup> Kerry, John, and Gina McCarthy. "The Long-Term Strategy of the United States, Pathways to Net-Zero Greenhouse Gas Emissions by 2050." The United States Department of State and the United States Executive Office of the President: Washington, D.C., USA (2021).

<sup>8</sup> Pett-Ridge, J., H. Z. Ammar, and A. Aui. "Roads to Removal. Options for Carbon Dioxide Removal in the United States." (2023).

In August 2023, the U.S. Department of Energy (DOE) selected the California Direct Air Capture (DAC) Hub to proceed with negotiations for up to \$11.8 million in grant funding. The DAC Hub is a consortium of multi-disciplinary and cross-sectoral organizations that includes SoCalGas and would perform front-end engineering and design (FEED) studies for a full-scale DAC and storage hub in Kern County, California. This proposed project is among only five projects nationwide in its category<sup>1</sup> to be selected under the DOE’s \$3.5 billion DAC Hubs program.

SoCalGas is well-positioned to play a developmental role in the effort, advancing a FEED study regarding the transportation of CO<sub>2</sub> captured from the air to permanent carbon storage. Preliminary findings project that the DAC Hub could remove 1 million metric ton (MMT) or more of CO<sub>2</sub> annually – equivalent to the CO<sub>2</sub> sequestered by over 1 million acres of U.S. forests per year<sup>2</sup> – and could help support the state’s 20 MMT carbon removal target for 2030.

This award adds to the company’s evolving work related to carbon management, which includes an investment in innovative carbon removal technology called Hybrid Direct Air Capture (HDAC), with a pilot project brought online in Bakersfield, California in late 2023. Los Angeles-based startup Avnos, Inc. developed the technology and launched the pilot



project to demonstrate how it can remove CO<sub>2</sub> from the air and generate water using only electricity.

SoCalGas aims to deliver increasingly low carbon energy to customers and promote innovative solutions to reduce GHG emissions.

**Fleet technology driving efficiencies and enhancing safety**  
**Digitalization**

SoCalGas is making exciting and innovative technological advancements by leveraging data from more than 4,000 light, medium, and heavy-duty fleet vehicles,<sup>3</sup> to help increase driver safety and operational efficiencies.

Telematics systems provide company fleet operators critical insight into vehicle and driver behavior.

SoCalGas uses telematics data to analyze fleet movements, acceleration, idling, hard braking, speeding and other metrics. This data can help fleet managers develop more efficient maintenance schedules, reduce fleet emissions and implement more effective driver safety training.

In addition to innovative technological fleet advancements, SoCalGas aims to replace 50% of its over-the-road fleet with alternative fuel vehicles by 2025 and achieve a 100% zero emissions fleet by 2035.<sup>3</sup> These fleet sustainability strategies strive to increase efficiencies, decrease emissions and enhance safety.

[SoCalGas regulatory filings](#)

[SoCalGas carbon management](#)

<sup>1</sup> Topic area 2: Design.

<sup>2</sup> EPA Greenhouse Gas Equivalency Calculator results for converting MMT of CO<sub>2</sub> to equivalent carbon sequestered by acres of U.S. forests in one year.

<sup>3</sup> Refers to over-the-road fleet.

# Conclusion

SoCalGas' ASPIRE 2045 Sustainability Strategy considers the clean energy transition to be an environmental and societal imperative.

The company's aim to achieve net-zero GHG emissions in its operations and delivery of energy by 2045 seeks to help advance the demand for cleaner energy and support California's climate goals. Meaningful participation and collaboration will be necessary with and among business partners, customers, regulatory and policy stakeholders, and the organization's nearly 9,000 dedicated employees.

As the nation's largest gas distribution utility, safety remains a core value. SoCalGas' comprehensive approach to safety can help enhance public, employee and contractor well-being as the company aims to build the cleanest, safest, most innovative energy infrastructure company in America. Additionally, advancing diversity, equity and inclusion in the communities served, and in the workplace, can expand opportunity, spark innovation and help achieve a measurable impact.

SoCalGas believes building a clean, affordable, and resilient energy system for Californians will require



a wide range of energy strategies to meet the projected increase in electricity demand.<sup>1</sup>

Additionally, further integration of the electric and gas systems, increased renewable energy output from sources such as wind and solar, and continued incorporation of clean fuels such as RNG and clean hydrogen<sup>2</sup> are expected to play a key role in achieving the state's climate goals. Gas infrastructure can provide a supportive and flexible

backstop during extreme weather events and in helping to decarbonize hard-to-electrify sectors such as manufacturing, electric generation and heavy-duty transportation.

SoCalGas' ASPIRE 2045 Sustainability Strategy represents an exciting evolution in serving customers and communities while innovating toward a sustainable future by doing the right thing, championing people and shaping the future.

<sup>1</sup> 2022 CARB Scoping Plan for Achieving Carbon Neutrality, CARB, 2022.

<sup>2</sup> SoCalGas defines "clean hydrogen" as hydrogen produced in a climate-neutral manner, including the use of renewable energy sources.

# 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 date of May 9, 2024. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

In this report, 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, strategy, goals, vision, mission, opportunities, 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: decisions, investigations, inquiries, 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) California Public Utilities Commission (CPUC), U.S. Department of Energy, U.S. Internal Revenue Service and other regulatory bodies and (ii) U.S. and states, counties, cities and other jurisdictions therein where we do business; the success of business development efforts and construction projects, including risks related to (i) completing construction projects or other transactions on schedule and budget, (ii) realizing anticipated benefits from any of these efforts if completed, (iii) obtaining third-party consents and approvals and (iv) third parties honoring their contracts and commitments; macroeconomic trends or other factors that could change our capital expenditure plans and

their potential impact on rate base or other growth; litigation, arbitrations and other proceedings, and changes to laws and regulations, including those related to tax and trade policy; 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 on favorable terms and meet our obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook, (ii) instability in the capital markets, or (iii) rising interest rates and inflation; the impact on affordability of our customer rates and our cost of capital and on our ability to pass through higher costs to customers due to (i) volatility in inflation, interest rates and commodity prices and (ii) the cost of meeting the demand for lower carbon and reliable energy in California; the impact of climate and sustainability 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 natural gas and natural gas storage capacity, including disruptions caused by failures in the pipeline system or limitations on the withdrawal of natural gas from storage facilities; and other uncertainties, some of which are difficult to predict and beyond our control.

These risks and uncertainties are further discussed in the reports that the company has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available

through the EDGAR system free-of-charge on the SEC’s website, [www.sec.gov](http://www.sec.gov), and on Sempra’s website, [www.sempra.com](http://www.sempra.com). Investors should not rely unduly on any forward-looking statements.

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