

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report  
(Date of earliest event reported): November 7, 1994 . . . . .

SAN DIEGO GAS & ELECTRIC COMPANY  
. . . . .

(Exact name of registrant as specified in its charter)

CALIFORNIA 1-3779 95-1184800  
. . . . .

(State or other jurisdiction of(Commission (I.R.S. Employer  
incorporation or organization)File Number) Identification No.)

101 ASH STREET, SAN DIEGO, CALIFORNIA 92101

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code . . . . . (619) 696-2000

. . . . .  
(Former name or former address, if changed since last report.)

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Item 5. Other Events

On November 7, 1994 SDG&E filed with the California Public Utilities Commission an application to form a holding company. Additional information is included in the attached press release.

Item 7. Financial Statements and Exhibits

(c) Exhibits

28.1 November 7, 1994 San Diego Gas & Electric Company Press Release

SIGNATURE

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)

November 7, 1994

By: /s/ F. H. Ault

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Date

F. H. Ault, Vice President and Controller

SAN DIEGO GAS & ELECTRIC FILES APPLICATION  
TO FORM A HOLDING COMPANY

SAN DIEGO, Nov. 7, 1994 -- The San Diego Gas & Electric (NYSE: SDO) board of directors today authorized the company to move forward with forming a holding company, the first step of which is to file an application with the California Public Utilities Commission (CPUC).

"The changes in the California utility industry and movement toward a competitive marketplace have made it clear that we need a more flexible corporate structure," said SDG&E Division Manager Henry Morse who is managing the process.

Under its current structure, all of SDG&E's utility-related business is combined or vertically integrated. This includes the generation of electricity, the transmission of electricity (carrying electricity between the generation source and the local distribution system), and the distribution of electricity (carrying electricity from the transmission system to the meter). It is very likely, as industry restructuring discussions evolve to form policy, that the business defined as "utility" will change. The generation of electricity, for example, may no longer be considered a "utility" business and may become a separate competitive venture.

(MORE)

"A holding company would allow SDG&E to protect the customers of its regulated utility business from any effects from this or any other non-utility or competitive ventures," Morse said.

SDG&E will pursue optimal flexibility -- provided by a holding company -- to participate in any new categories of business created by this restructuring.

Under the structure being proposed, SDG&E would become a subsidiary to a parent company, alongside its existing subsidiaries, including: Enova, which invests in affordable housing tax credits; Califia, an equipment leasing firm; and Pacific Diversified Capital, which includes commercial/industrial real estate holdings and 80 percent interest in Wahlco Environmental Systems, Inc.

Shareholders will be asked to vote on the holding company at the April 25, 1995, annual meeting. If the application receives all shareholder and regulatory approvals, shareholders would simply receive a one-for-one swap of holding company stock for SDG&E stock. There should be no immediate effect on their investment once the transaction is completed.

"We hope to have the structure in place by mid-summer 1995 to accommodate any opportunities or challenges which may arise from the restructuring of the state's electric utility industry," said Morse.

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