

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c)  
of the Securities Exchange Act of 1934 (Amendment No. )

Check the appropriate box:

- Preliminary Information Statement       Confidential, for Use of the  
Commission Only (as permitted  
by Rule 14c-5(d)(2))
- Definitive Information Statement

San Diego Gas & Electric Company

-----  
(Name of Registrant As Specified In Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

-----

(2) Aggregate number of securities to which transaction applies:

-----

(3) Per unit price or other underlying value of transaction computed  
pursuant to Exchange Act Rule 0-11 (Set forth the amount on which  
the filing fee is calculated and state how it was determined):

-----

(4) Proposed maximum aggregate value of transaction:

-----

(5) Total fee paid:

-----

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange  
Act Rule 0-11(a)(2) and identify the filing for which the  
offsetting fee was paid previously. Identify the previous filing  
by registration statement number, or the Form or Schedule and the  
date of its filing.

(1) Amount Previously Paid:

-----

(2) Form, Schedule or Registration Statement No.:

-----

(3) Filing Party:

-----

(4) Date Filed:

-----

Notes:

SAN DIEGO GAS & ELECTRIC COMPANY

-----

NOTICE OF

ANNUAL MEETING OF SHAREHOLDERS

-----

The Annual Meeting of Shareholders of San Diego Gas & Electric Company will be held on May 10, 2001 at 10:15 a.m. at the offices of Sempra Energy, 101 Ash Street, San Diego, California, for the following purposes:

(1) To elect directors for the ensuing year.

(2) To transact any other business that may properly come before the meeting.

Shareholders of record at the close of business on March 22, 2001 are entitled to notice of and to vote at the Annual Meeting.

The Annual Meeting is a business-only meeting. It will not include any presentations by management.

Only shareholders of SDG&E may attend the Annual Meeting. Shareholders who own shares registered in their names will be admitted to the meeting upon verification of record share ownership. Shareholders who own shares through banks, brokerage firms, nominees or other account custodians must present proof of beneficial share ownership (such as a brokerage account statement) to be admitted.

By Order of the Board of Directors

San Diego, California  
March 22, 2001

SAN DIEGO GAS & ELECTRIC COMPANY

-----  
INFORMATION STATEMENT  
FOR  
ANNUAL MEETING OF SHAREHOLDERS  
-----

WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY.

San Diego Gas & Electric Company ("SDG&E" or the "Company") is providing this Information Statement in connection with its Annual Meeting of Shareholders to be held on May 10, 2001. It is being mailed to shareholders commencing April 5, 2001.

SAN DIEGO GAS & ELECTRIC COMPANY

SDG&E is a direct subsidiary of Enova Corporation and an indirect subsidiary of Sempra Energy. It is a public utility supplying electricity and natural gas in San Diego and southern Orange counties in California.

SDG&E became an indirect subsidiary of Sempra Energy upon the June 26, 1998 completion of a business combination of Enova Corporation (the direct parent corporation of SDG&E) and Pacific Enterprises (the direct parent corporation of Southern California Gas Company). In the combination, Enova Corporation and Pacific Enterprises became separate subsidiaries of Sempra Energy, a newly formed holding company, and Enova Corporation Common Stock and Pacific Enterprises Common Stock were converted into Sempra Energy Common Stock. Shares of SDG&E and Southern California Gas Company were unaffected by the business combination and remain outstanding.

SDG&E's principal executive offices are located at 8330 Century Park Court, San Diego, California. Its telephone number is (858) 654-6429.

OUTSTANDING SHARES AND VOTING RIGHTS

The Board of Directors has fixed March 22, 2001 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. At that date, the outstanding shares consisted of 116,583,358 shares of Common Stock (all of which is owned by Enova Corporation), 1,373,770 shares of Cumulative Preferred Stock and 3,040,000 shares of Preference Stock.

In electing directors, each share of Cumulative Preferred Stock is entitled to two votes and each share of Common Stock is entitled to one vote for each of the twelve director positions but cumulative voting is not permitted. Shares of Preference Stock do not vote in the election of directors. The shares owned by Enova Corporation represent over 98% of the votes entitled to be cast in electing directors.

GOVERNANCE OF THE COMPANY

Board of Directors

The business and affairs of SDG&E are managed under the direction of its Board of Directors in accordance with the California General Corporation Law as implemented by the Company's Articles of Incorporation and By-laws. Members of the board are kept informed through various reports routinely sent to them as well as by operating and financial presentations made at board and committee meetings by officers and others.

Shareholders who wish to suggest qualified candidates for consideration by the Corporate Governance Committee as directors of the Company should write to: Corporate Secretary, San Diego Gas & Electric Company, 8330 Century Park Court, San Diego, California, 92123, stating in detail the qualifications of the suggested candidates.

During 2000, the Board of Directors held eleven meetings. Each director attended at least 75% of the combined number of meetings of the board and board committees of which he or she was a member, other than Ms. Burr, who attended 70% of such meetings. The standing committees listed below assisted the board in carrying out its duties.

Audit	Compensation	Corporate Governance	Executive	Finance	Public Policy
Richard A. Collato, Chair	Richard J. Stegemeier, Chair	Hyla H. Berteau, Chair	Edwin A. Guiles, Chair	Daniel W. Derbes, Chair	Herbert L. Carter, Chair
Ann L. Burr	Hyla H. Berteau	Ann L. Burr	Herbert L. Carter	Richard A. Collato	William D. Jones
Daniel W. Derbes	Ralph R. Ocampo	Richard J. Stegemeier	Daniel W. Derbes	Wilford D. Godbold, Jr.	Ralph R. Ocampo
Wilford D. Godbold, Jr.	Thomas C. Stickel	Diana L. Walker	Richard J. Stegemeier	William D. Jones	William G. Ouchi
William G. Ouchi			Thomas C. Stickel	Diana L. Walker	

#### Committees Of the Board

##### Audit Committee

The Audit Committee met six times in 2000. Its duties and responsibilities include:

- . Assisting the Board of Directors in fulfilling its oversight responsibilities for management's conduct of the Company's financial reporting processes.
- . Recommending to the board the selection of independent auditors.

The Charter of the Audit Committee is reprinted as the appendix to this Information Statement.

##### Compensation Committee

The Compensation Committee met six times in 2000. Its duties and responsibilities include:

- . Establishing overall strategy with respect to compensation for directors and senior officers.
- . Evaluating the performance of the Chairman and the President for compensation purposes.
- . Reviewing and approving individual salary adjustments and awards under incentive plans for senior officers.
- . Overseeing executive succession plans.

##### Corporate Governance Committee

The Corporate Governance Committee met three times in 2000. Its duties and responsibilities include:

- . Reviewing and recommending nominees for election as directors.
- . Assessing the performance of the Board of Directors.
- . Developing guidelines for board composition.
- . Reviewing and considering issues relating to corporate governance.

##### Executive Committee

The Executive Committee did not meet in 2000. The committee meets on call during the intervals between board meetings and, subject to the limitations imposed by law, has all the authority of the board.

Finance Committee

The Finance Committee met five times in 2000. Its duties and responsibilities include:

- . Reviewing long term and short term financial requirements and financing plans.
- . Reviewing trading operations, financial guarantees and derivatives positions and exposure.
- . Reviewing pension plan investment results and insurance coverages.

Public Policy Committee

The Public Policy Committee met twice in 2000. Its duties and responsibilities include:

- . Reviewing public policy issues affecting SDG&E, including ethnic, social and political trends.
- . Reviewing employment and contracting policies, consumer issues and community relations.
- . Reviewing charitable and political contributions and programs.

Directors' Compensation

All of the directors of SDG&E are also directors or officers of Sempra Energy. They are not separately compensated for services as directors of the Company.

Directors of Sempra Energy who are not also employees receive the following retainer and fees for services as directors of Sempra Energy and its subsidiaries:

Annual retainer.....	\$35,000
Attendance fee for each Board meeting.....	\$ 1,000
Attendance fee for each Committee meeting.....	\$ 1,000
Additional meeting fee for each Committee meeting chaired.....	\$ 1,000

Each director must elect to receive an annual minimum of \$9,000 of his or her director's fees in shares of Sempra Energy Common Stock or to defer that amount into phantom shares of Sempra Energy Common Stock. Directors also may elect to receive the balance of their fees in shares of Sempra Energy Common Stock instead of cash or to defer the balance into an interest-bearing account, a phantom investment fund, or phantom shares of Sempra Energy Common Stock.

Upon becoming a director, each non-employee director of Sempra Energy is granted a ten-year option to purchase 15,000 shares of Sempra Energy Common Stock. At each annual meeting of Sempra Energy (other than the annual meeting that coincides with or first follows the director's election to the board) each non-employee director who continues to serve as director is granted an additional ten-year option for 5,000 shares. Each option is granted at an option exercise price equal to the fair market value of the option shares at the date the option is granted and becomes fully exercisable commencing with the first annual meeting of Sempra Energy following the date of the grant or upon the director's earlier death, disability, retirement or involuntary termination of board service other than for cause.

Non-employee directors of Sempra Energy who were directors of Enova Corporation and Pacific Enterprises at the time of the business combination of the two companies (currently all of the non-employee directors) continue to accrue retirement benefits (subject to certain maximum years of service credit) for service as non-employee directors of Sempra Energy. Benefits commence upon the later of retirement as a director or attaining age 65 and continue for a maximum period equal to the director's combined years of service as a director of Sempra Energy and Enova Corporation or Pacific Enterprises. The annual benefit is the sum of Sempra Energy's then current annual retainer and ten times the then current board meeting fee.

## INDEPENDENT AUDITORS

Representatives of Deloitte & Touche LLP, independent auditors for SDG&E, are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions from shareholders.

### Audit Fees

Fees of Deloitte & Touche LLP for the audit of SDG&E's 2000 financial statements were \$417,180.

### All Other Fees

Fees of Deloitte & Touche LLP for all other services provided to SDG&E and its subsidiaries for 2000 were \$11,141. The Audit Committee of the Board of Directors has considered whether the provision of these services is compatible with maintaining the independence of Deloitte & Touche LLP.

## AUDIT COMMITTEE REPORT

In accordance with its written charter adopted by the Board of Directors, the Audit Committee of the Board assists the Board in fulfilling its oversight responsibilities for management's conduct of SDG&E's financial reporting processes. The Committee consists of five independent directors.

The Audit Committee reviewed the audited financial statements of SDG&E for the year ended December 31, 2000, with management and Deloitte & Touche LLP, SDG&E's independent auditors.

The Audit Committee has discussed and reviewed with Deloitte & Touche LLP all the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). It has also received and reviewed the written disclosures and the letter from Deloitte & Touche LLP required by Independence Standards Board Standard No. 1, (Independence Discussions with Audit Committees) and has discussed with Deloitte & Touche LLP their independence.

Based on this review and discussions, the Audit Committee recommended to the Board of Directors that SDG&E's audited financial statements be included in its Annual Report on Form 10-K for the year ended December 31, 2000, for filing with the Securities and Exchange Commission.

### AUDIT COMMITTEE

Richard A. Collato, Chair  
Ann L. Burr  
Daniel W. Derbes  
Wilford D. Godbold, Jr.  
William G. Ouchi

March 6, 2001

SHARE OWNERSHIP

All of the outstanding SDG&E Common Stock is owned by Enova Corporation and none of the Company's directors or executive officers owns any SDG&E Cumulative Preferred or Preference Stock.

The following table sets forth the number of shares of Sempra Energy Common Stock beneficially owned at February 15, 2001 by each director, by each of the current executive officers of SDG&E named in the compensation tables of this Information Statement and by all directors and executive officers of the Company as a group. These shares, in the aggregate, represent less than 1% of Sempra Energy's outstanding shares.

Sempra Energy Common Stock

Name	Shares			Total
	Current Beneficial Holdings	Subject To Exercisable Options (A)	Phantom Shares (B)	
Hyla H. Berteau.....	9,630	25,000	5,256	39,886
Ann L. Burr.....	2,315	25,000	-0-	27,315
Herbert L. Carter.....	1,604	25,000	8,373	34,977
Richard A. Collato.....	4,566	25,000	-0-	29,566
Steven D. Davis.....	4,928	24,404	665	29,997
Daniel W. Derbes.....	6,145	25,000	114	31,259
Pamela J. Fair.....	10,857	58,295	1,337	70,489
Wilford D. Godbold, Jr. ....	3,006	25,000	3,195	31,201
Edwin A. Guiles.....	22,906	61,835	14,071	98,812
William D. Jones.....	2,690	25,000	-0-	27,690
Ralph R. Ocampo.....	14,702	25,000	9,463	49,165
William G. Ouchi.....	10,000	25,000	114	35,114
Debra L. Reed.....	15,359	133,756	3,027	152,142
Richard J. Stegemeier (C).....	1,618	25,000	-0-	26,618
Thomas C. Stickel.....	2,059	25,000	114	27,173
Diana L. Walker.....	986	25,000	114	26,100
Directors and Executive Officers as a group (17 persons).....	113,371	578,290	45,843	737,504

- (A) Shares which may be acquired through the exercise of stock options that are exercisable on or before May 15, 2001.
- (B) Represents deferred compensation deemed invested in shares of Sempra Energy Common Stock. These phantom shares cannot be voted or transferred but track the performance of Sempra Energy Common Stock.
- (C) Mr. Stegemeier will retire as a director before the Annual Meeting and the authorized number of directors will be reduced to twelve to reflect his retirement.

Share ownership guidelines have been established for directors and officers to further strengthen the link between performance and compensation. For non-employee directors the guideline is ownership of a number of shares having a market value equal to four times the annual retainer. For officers, the guidelines are:

SDG&E Executive Level	Sempra Energy Share Ownership Guidelines
Chairman.....	3 x Base Salary
President.....	2 x Base Salary
Vice Presidents.....	1 x Base Salary

In setting the guidelines the board considered then current share ownership levels and the desirability of encouraging further share ownership. The officer guidelines were established in 1998 and the director guidelines in 2000. They are expected to be met or exceeded within five years from adoption. For purposes of the guidelines, shares owned include phantom shares into which compensation is deferred and the vested portion of certain in-the-money stock options as well as shares owned directly or through benefit plans.

Sempra Energy has approximately 185,000 shareholders. The only person known to Sempra Energy to own more than 5% of its shares is Barclays Trust and Banking Company (Japan) Ltd. (Ebisu Prime Square Tower, 1-1-39 Hiroo, Shibuya-Ku, Tokyo, Japan 150-8402), which on February 14, 2001 reported that it and related entities held 10,326,404 shares of Sempra Energy Common Stock as to which they had sole dispositive power (including 9,456,885 shares as to which they had sole voting power) in trust accounts for the economic benefit of the beneficiaries of those accounts. These shares represent approximately 5% of the outstanding Sempra Energy Common Stock.

Employee savings and stock ownership plans of Sempra Energy and its subsidiaries held 24,325,246 shares of Sempra Energy Common Stock (approximately 12% of the outstanding shares) for the benefit of employees at February 15, 2001.



## ELECTION OF DIRECTORS

SDG&E's Board of Directors will consist of twelve directors upon giving effect to the retirement of a director who will retire prior to the Annual Meeting of Shareholders and a corresponding reduction in the authorized number of directors. At the Annual Meeting, twelve directors (comprising the entire authorized number of directors) will be elected to hold office until the next Annual Meeting and until their successors have been elected and qualified. The twelve director candidates receiving the greatest number of votes will be elected as directors.

The names of the Board of Directors' twelve nominees for election as directors and biographical information regarding each nominee are set forth below. Each nominee is currently a director of SDG&E and also of Southern California Gas Company. Each nominee (other than Mr. Guiles) is also a director of Enova Corporation and Sempra Energy. Unless otherwise noted, each nominee has held his or her principal occupation or other positions with the same or predecessor organizations for at least the last five years.

[Photo of Hyla Berteau]

Hyla H. Berteau, 60, has been a director since 1998. She is a realtor with Prudential California, a real estate sales company. She is a trustee of Lewis & Clark College, a director of Orange County Community Foundation, and a former commissioner of the California Horse Racing Board. For a number of years she has been involved in leadership positions with various other cultural, educational and health organizations in the Orange County and Los Angeles areas. Mrs. Berteau was a co-commissioner of gymnastics and a member of the executive staff for the 1984 Olympics.

[Photo of Ann Burr]

Ann L. Burr, 54, has been a director since 1993. She is an Executive Vice President of Time Warner Cable. She is the former President of Time Warner Communications in Rochester, New York and Time Warner Cable in San Diego. Ms. Burr is a trustee of the Rochester Institute of Technology. She served as Chair of the Board of Directors of the California Cable Television Association and chaired its Telecommunications Policy Committee. She is a former Chair of the Greater San Diego Chamber of Commerce Board of Directors and the founder and former Chair of the Chamber's Business Roundtable for Education and the San Diego Communications Council.

[Photo of Herbert Carter]

Herbert L. Carter, DPA, 67, has been a director since 1998. He has served as President of California State University, Dominguez Hills, and Executive Vice Chancellor Emeritus and Trustee Professor of Public Administration of the California State University System. He was President and Chief Executive Officer of United Way of Greater Los Angeles from 1992 until 1995, and Executive Vice Chancellor of the California State University System from 1987 until 1992. Dr. Carter is a director of Golden State Mutual Insurance Company, and has served as a member of the Board of Councilors of the School of Public Administration, University of Southern California and the Board of Regents of Loyola Marymount University.

[Photo of Richard Collato]

Richard A. Collato, 57, has been a director since 1993. He is President and Chief Executive Officer of the YMCA of San Diego County. He is a former director of Y-Mutual Ltd., a reinsurance company, and The Bank of San Diego. Mr. Collato is a former trustee of Springfield College, and currently is a trustee of the YMCA Retirement Fund and Baucus Foundation, and a director of Micro Vision Optical, Inc. and Project Design Consultants.

[Photo of Daniel Derbes]

Daniel W. Derbes, 70, has been a director since 1983. He is President of Signal Ventures. From 1985 until 1988, he was President of Allied-Signal International Inc. and Executive Vice President of Allied-Signal Inc., a multi-national advanced technologies company. Mr. Derbes is Chairman of the Board of Directors of WD-40 Company and a trustee of the University of San Diego.

[Photo of Wilford Godbold]

Wilford D. Godbold, Jr., 62, has been a director since 1998. He is the retired President and Chief Executive Officer of ZERO Corporation, an international manufacturer primarily of enclosures and thermal management equipment for the electronics market. He is a director of Ceradyne, Inc. and K2, Inc., a trustee of the Wellness Community, a past President of the Board of Trustees of Marlborough School and a past Chairman of the Board of the California Chamber of Commerce and The Employers Group.

[Photo of Edwin Guiles]

Edwin A. Guiles, 51, became a director in 2000. He is Chairman of the Board of SDG&E, Chairman, President and President of Energy Distribution Services of Southern California Gas Company, and Group President--Regulated Business Units of Sempra Energy. Mr. Guiles is a member of the boards of the California Chamber of Commerce and San Diego County YMCA. He formerly served as planning commissioner for the City of Chula Vista, and is a former director of the Arthritis Foundation, Wellness Communities and San Diego Development Council.

[Photo of William Jones]

William D. Jones, 45, has been a director since 1994. He is the President and Chief Executive Officer and a director of CityLink Investment Corporation. From 1989 to 1993, he served as General Manager/Senior Asset Manager and Investment Manager with certain real estate subsidiaries of The Prudential. Prior to joining The Prudential, he served as a San Diego City Council member from 1982 to 1987. Mr. Jones is Chairman of the Board of the Los Angeles Branch of the Federal Reserve Bank of San Francisco, and a trustee of the University of San Diego. He is a former director of The Price Real Estate Investment Trust.

[Photo of Ralph Ocampo]

Ralph R. Ocampo, M.D., F.A.C.S., 69, has been a director since 1983. He is a practicing surgeon, Governor of the American College of Surgeons, past President of the California Medical Association and a Clinical Professor of Surgery at the University of California, San Diego.

[Photo of William Ouchi]

William G. Ouchi, Ph.D., 57, has been a director since 1998. He is the Sanford and Betty Sigoloff Professor in Corporate Renewal in the Anderson Graduate School of Management at UCLA. Dr. Ouchi is a director of Allegheny Technologies, EduVoice, FirstFed Financial Corp., and Water-Pik Technologies. He is a trustee of Williams College and a director of KCET Public Service Television.

[Photo of Thomas Stickel]

Thomas C. Stickel, 51, has been a director since 1994. He is the Chairman, Chief Executive Officer and founder of University Ventures Network. He is the founder of Americana Partners Capital Group, Inc. He previously was the Chairman, Chief Executive Officer and President of TCS Enterprises, Inc. and the Bank of Southern California, both of which he founded. Mr. Stickel is Chairman of the Board of Onyx Acceptance Corporation, a director of Blue Shield of California and Del Mar Thoroughbred Club and Vice Chairman of the California Chamber of Commerce.

[Photo of Diana Walker]

Diana L. Walker, 59, has been a director since 1998. Mrs. Walker is a partner and General Counsel of the law firm of O'Melveny & Myers LLP. She is a former director of United Way of Greater Los Angeles, and Emeritus Governor and former Chair of the Board of Governors of the Institute for Corporate Counsel, a former trustee of Marlborough School and a member of various professional organizations. O'Melveny & Myers LLP provides legal services to Sempra Energy and its subsidiaries.

## COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

SDG&E became an indirect subsidiary of Sempra Energy in connection with a business combination of Enova Corporation (the direct parent of SDG&E) and Pacific Enterprises (the direct parent of Southern California Gas Company) that was completed on June 26, 1998.

The Boards of Directors of SDG&E, Southern California Gas Company and Sempra Energy each maintain a Compensation Committee comprised of independent directors. The directors comprising the three committees are identical and the committees typically meet in joint session.

The Compensation Committees have the responsibility for establishing compensation principles and strategies, as well as designing a compensation program for executive officers. Their responsibilities also include administering a base salary program, executive annual and long term incentive plans, and executive benefit and perquisite programs.

During 2000, the Compensation Committees conducted a review of the executive compensation programs and policies of Sempra Energy and its subsidiaries that were originally developed in 1998 in connection with the business combination of Enova Corporation and Pacific Enterprises and were designed to assist the companies in realizing the key objective of creating superior shareholder value in a rapidly changing and increasingly competitive business environment. The committees engaged nationally recognized compensation and benefit consultants to assist with this review. The committees, also with the assistance of a nationally recognized compensation firm, also reviewed board compensation during 2000.

### Compensation Principles and Strategies

In developing compensation principles and strategies, the Compensation Committees considered the current and prospective business environment for Sempra Energy and its subsidiaries and took into account numerous factors, including:

- . The rapidly changing and increasingly competitive environment in which Sempra Energy and its subsidiaries operate.
- . The need to retain experienced executives of outstanding ability and to motivate them to achieve superior performance.
- . The need to attract executive talent from broader markets as the utility and energy industries continue to rapidly evolve.
- . The need to strongly link executive compensation to both annual and long term corporate, business unit and individual performance.
- . The need to strongly align the interests of executives with those of shareholders.

As a result of this review, the Compensation Committees approved the continuation of the compensation program developed in 1998 and designed to meet these objectives and encourage executives to achieve superior shareholder returns. The program includes the following elements.

- . An emphasis on "pay-for-performance" with a substantial portion of total compensation reflecting corporate, business unit and individual performance.
- . An emphasis on stock incentives closely aligning the interests of executives with those of shareholders.
- . An emphasis on total compensation with base salaries generally targeted at or near median general industry levels for comparable sized companies and with the annual cash and long term equity incentives providing opportunities to earn total compensation at significantly higher levels for superior corporate, business unit and individual performance.

- . An appropriate balance of short term and long term compensation to retain talented executives, reward effective long term strategic results and encourage share ownership.
- . An emphasis on placing at risk, through equity and other performance-based incentives, a greater portion of an executive's total compensation as levels of responsibility increase.

The Compensation Committees also considered provisions of the Internal Revenue Code limiting to \$1 million the annual amount of compensation that does not qualify as "qualified performance-based compensation" that publicly held corporations may deduct for federal income tax purposes as compensation expense for each of certain executive officers. The committees consider tax deductibility to be an important factor but only one factor to be considered in evaluating any executive officer compensation program. Accordingly, the committees intend to design programs that will maximize federal income tax deductions for compensation expense to the extent that doing so is consistent with the compensation principles and strategies of Sempra Energy and its subsidiaries. The committees believe, however, that there are circumstances in which the interests of shareholders may be best served by providing compensation that is not fully tax deductible, and may exercise discretion to provide compensation (including incentive awards under the Sempra Energy Long Term Incentive Plan) that will not qualify as a tax deductible compensation expense.

#### Compensation Program

The primary components of the compensation program of Sempra Energy and its subsidiaries are base salaries, annual cash incentive opportunities and long term equity and equity-based incentive opportunities.

#### Base Salaries

Base salaries for executives are reviewed annually and, in general, are targeted at the median of salaries for general industry companies of similar size to Sempra Energy. This strategy, along with annual and long term incentive opportunities at general industry levels, is intended to allow Sempra Energy and its subsidiaries to retain and attract top quality executive talent. However, the committees will continue to monitor this strategy as the markets for executive talent change. In determining base salary adjustments, the committees also take into account such factors as individual performance, executive responsibilities, market characteristics and other factors.

Survey data for assessing base salaries are based upon companies in the Fortune 1000 and size-adjusted based upon Sempra Energy's revenues using regression analysis. The Compensation Committees believe that the Fortune 1000 appropriately reflects the broad group with which Sempra Energy and its subsidiaries compete to retain and attract highly skilled and talented executives.

Annual base salaries for executive officers of Sempra Energy and its subsidiaries have been set at the approximate mid-point of these salary data. For 2000, an annual base salary of \$520,000 was established for Warren I. Mitchell, Chairman of SDG&E and Southern California Gas Company, and Group President--Regulated Business Units of Sempra Energy. Upon Mr. Mitchell's retirement, Edwin A. Guiles became Chairman of SDG&E and Southern California Gas Company and Group President--Regulated Business Units of Sempra Energy at an annual base salary of \$470,000.

#### Annual Incentives

Annual cash bonus performance-based incentive opportunities are provided to executive officers through the Sempra Energy Executive Incentive Plan. This plan permits the payment of bonuses based upon the attainment of objective financial performance goals. Bonus opportunities vary with the individual officer's position and prospective contribution to the attainment of these goals and no bonuses are paid unless a threshold performance level is attained for the related performance period. Bonus opportunities increase for performance above the threshold level. Performance at targeted levels is intended to compensate executive officers with bonuses at the mid-point for bonuses for comparable levels of responsibility at Fortune 1000 companies.

For 2000, award levels were based on attainment of earnings per share goals with target award levels of 70% of base salary for Sempra Energy Group Presidents, 50% of base salary for the SDG&E President and 45% of base salary for SDG&E Vice Presidents, with maximum award levels ranging from 140% to 90%. Performance for the year resulted in cash bonuses of \$364,000 for Mr. Mitchell (prorated for period of service) and \$468,900 for Mr. Guiles, with corresponding lesser amounts to other executive officers. Mr. Guiles also received a special recognition bonus of \$35,800 relating to his services at SDG&E.

#### Long Term Incentives

Long term incentive opportunities are provided by equity and equity-based awards under Sempra Energy's 1998 Long Term Incentive Plan. The plan permits a wide variety of equity and equity-based incentive awards to allow the Compensation Committee to respond to changes in market conditions and compensation practices.

During 2000, Sempra Energy granted to executives and other employees of Sempra Energy and its subsidiaries non-qualified stock options to purchase Sempra Energy Common Stock. These option grants to executive officers of SDG&E are described in this Proxy Statement under the caption "Executive Compensation--Stock Options and Stock Appreciation Rights."

#### Share Ownership Guidelines

The Compensation Committees believe that a commitment to increased share ownership by executives of Sempra Energy and its subsidiaries is an important element in aligning the interests of executives with those of shareholders. This belief has influenced the design of compensation plans and, in addition, stock ownership guidelines have been established to further strengthen the link between corporate performance and compensation. These guidelines are summarized under the caption "Share Ownership."

#### COMPENSATION COMMITTEE

Richard J. Stegemeier, Chair  
Hyla H. Berteau  
Ralph R. Ocampo  
Thomas C. Stickel

March 6, 2001

EXECUTIVE COMPENSATION

Summary of Cash and Other Compensation

The table below summarizes, for the periods indicated, the compensation paid or accrued by Sempra Energy and its predecessors and subsidiaries to each of the executive officers of SDG&E named in the table.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Awards	Payouts		All Other Compensation (\$) (C)
				Securities Underlying Options / SARS (#)	LTIP Payouts (\$) (A) (B)		
Edwin A. Guiles..... Chairman	2000	\$373,740	\$504,700	73,500	\$ 35,685	\$ 39,933	
	1999	\$304,731	\$243,750	54,500	\$ 46,273	\$ 46,931	
	1998	\$284,539	\$274,525	32,520	\$ 74,388	\$ 438,727	
Debra L. Reed (D)..... President	2000	\$331,366	\$335,900	73,500	\$ -0-	\$ 37,315	
	1999	\$298,732	\$243,750	52,300	\$ -0-	\$ 38,432	
	1998	\$282,646	\$237,526	66,355	\$ -0-	\$ 326,134	
Pamela J. Fair (E)..... Vice President	2000	\$205,835	\$126,500	32,600	\$ -0-	\$ 30,608	
	1999	\$199,027	\$149,612	22,900	\$ -0-	\$ 27,264	
	1998	\$175,064	\$127,559	26,374	\$ -0-	\$ 150,938	
Steven D. Davis (E)..... Vice President	2000	\$199,697	\$122,800	31,600	\$ -0-	\$ 26,545	
	1999	\$172,962	\$130,209	20,000	\$ -0-	\$ 27,011	
	1998	\$152,176	\$116,218	13,008	\$ -0-	\$ 188,145	
Warren I. Mitchell (F).. Chairman and President	2000	\$269,135	\$364,000	191,600	\$233,504	\$1,964,126	
	1999	\$474,769	\$498,750	128,700	\$ -0-	\$ 61,368	
	1998	\$437,409	\$506,230	140,296	\$ -0-	\$ 816,659	
Gary D. Cotton (F)..... Senior Vice President	2000	\$192,790	\$114,100	35,200	\$ 34,458	\$ 30,906	
	1999	\$221,325	\$164,764	27,300	\$ 45,567	\$ 30,452	
	1998	\$209,754	\$163,986	16,800	\$ 75,326	\$ 258,059	

(A) Long term incentive plan payouts represent the fair market value of shares of restricted stock for which forfeiture and transfer restrictions terminated during the year based upon satisfaction of long term performance goals. No restricted stock was awarded in 2000.

(B) The aggregate holdings/value of restricted stock held on December 31, 2000 by the individuals listed in the table are: 6,172 shares/\$143,499 for Mr. Guiles; 5,212 shares/\$121,179 for Ms. Reed; 2,304 shares/\$53,568 for Ms. Fair; 2,124 shares/\$49,383 for Mr. Davis; 0 shares/\$-0- for Mr. Mitchell; and 3,461 shares/\$80,468 for Mr. Cotton. Regular quarterly dividends are paid on restricted stock held by these individuals.

(C) All other compensation includes amounts paid as (i) interest on deferred compensation above 120% of the applicable federal rate, (ii) life insurance premiums, (iii) financial and estate planning services, (iv) contributions to defined benefit plans and related supplemental plans, and (v) car allowances. The respective amounts paid in 2000 were \$446, \$6,453, \$5,809, \$19,725 and \$7,500 for Mr. Guiles; \$1,263, \$435, \$10,000, \$18,617, and \$7,000 for Ms. Reed; \$4,083, \$662, \$7,000, \$11,863 and \$7,000 for Ms. Fair; and \$-0-, \$735, \$7,720, \$11,090 and \$7,000 for Mr. Davis; \$7,533, \$21,975, \$10,000 \$24,330, and \$3,635 for Mr. Mitchell, and \$2,449, \$8,426, \$1,936, \$11,849, and \$6,246 for Mr. Cotton.

Amounts for Mr. Mitchell for 2000 also include \$1,896,653 paid upon his retirement and are reflective of amounts he was entitled to receive under his employment agreement with Sempra Energy.

Amounts for 1998 also include incentive/retention bonus accruals and payments under agreements entered into in 1997 in connection with the business combination of Enova Corporation and Pacific Enterprises.

These amounts are \$405,000 for Mr. Guiles, \$303,750 for Ms. Reed; \$136,300 for Ms. Fair; \$176,000 for Mr. Davis; \$782,000 for Mr. Mitchell and \$228,000 for Mr. Cotton.

- (D) Ms. Reed became an executive officer of SDG&E in 2000. Amounts for prior periods reflect compensation as an executive officer of Southern California Gas Company.
- (E) Ms. Fair and Mr. Davis became executive officers of SDG&E in 1998. Amounts for 1998 include compensation for Ms. Fair as an executive officer of Southern California Gas Company and Mr. Davis as a non-officer employee of SDG&E.
- (F) Messrs. Mitchell and Cotton retired in July and November 2000, respectively.

Stock Options and Stock Appreciation Rights

The following table contains information concerning the grant of stock options during 2000 to the executive officers of SDG&E named in the Summary Compensation Table. All options are to purchase Sempra Energy Common Stock, were granted at an exercise price of 100% of the fair market value of the option shares on the date of the grant and are for a ten-year term subject to earlier expiration following termination of employment.

OPTION / SAR GRANTS IN 2000

Name	Number of Shares Underlying Options / SARs Granted (#)(A)	% of Total Options / SARs Granted to Employees in 2000	Exercise Price (\$/Share)	Expiration Date	Grant Date Present Value
Edwin A. Guiles.....	73,500	1.69%	\$19.06	02/08/10	\$279,300
Debra L. Reed.....	73,500	1.69%	\$19.06	02/08/10	\$279,300
Pamela J. Fair.....	32,600	0.75%	\$19.06	02/08/10	\$123,880
Steven D. Davis.....	31,600	0.73%	\$19.06	02/08/10	\$120,080
Warren I. Mitchell.....	191,600	4.42%	\$19.06	02/08/10	\$728,080
Gary D. Cotton.....	35,200	0.81%	\$19.06	02/08/10	\$133,760

- (A) Exercisable in cumulative installments of one-fourth of the shares initially subject to the option on each of the first four anniversaries of the grant date.

Sempra Energy used a modified Black-Scholes option pricing model to develop the theoretical values set forth under the "Grant Date Present Value" column. Grant date present value was \$3.80 based on the following assumptions: share volatility--19.35%; dividend yield--5.26%; risk-free rate of return--6.71%; and outstanding term--10 years.

The following table contains information with respect to the executive officers of SDG&E named in the Summary Compensation Table concerning the exercise of options and stock appreciation rights during 2000 and unexercised options and stock appreciation rights held on December 31, 2000.

OPTION / SAR EXERCISES AND HOLDINGS

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Securities Underlying Unexercised Options / SARs at Year-End (#)		Value of Unexercised In-the-Money Options / SARs at Year-End (\$) (A)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Edwin A. Guiles.....	-0-	\$ -0-	29,860	130,560	\$ 30,600	\$399,581
Debra L. Reed.....	15,000	\$ 40,395	91,028	140,263	\$160,734	\$396,038
Pamela J. Fair.....	7,500	\$ 83,926	40,661	61,082	\$101,622	\$175,156
Steven D. Davis.....	-0-	\$ -0-	11,504	53,104	\$ 11,250	\$166,075
Warren I. Mitchell.....	360,902	\$563,798	155,334	-0-	\$ -0-	\$ -0-
Gary D. Cotton.....	-0-	\$ -0-	15,255	55,675	\$ 15,356	\$193,469

(A) The exercise price of outstanding options ranges from \$16.12 to \$27.92.

Pension Plans

The following table shows the estimated single life annual pension annuity benefit provided to the executive officers of SDG&E named in the Summary Compensation Table under the Sempra Energy Supplemental Executive Retirement Plan (combined with benefits payable under the other pension plans of SDG&E and its affiliates in which the officers also participate) based on the specified compensation levels and years of credited service and retirement at age 65.

PENSION PLAN TABLE  
(\$000's)

Pension Plan Compensation	Years of Service				
	5	10	20	30	40
\$ 400	\$ 80	\$160	\$240	\$250	\$260
\$ 600	\$120	\$240	\$360	\$375	\$390
\$ 800	\$160	\$320	\$480	\$500	\$520
\$1,000	\$200	\$400	\$600	\$625	\$650
\$1,200	\$240	\$480	\$720	\$750	\$780

Pension benefits are based on average salary for the highest two years of service and the average of the three highest annual bonuses during the last ten years of service. Years of service includes service with subsidiaries and number 28 years for Mr. Guiles, 22 years for Ms. Reed, 16 years for Ms. Fair, 20 years for Mr. Davis, 42 years for Mr. Mitchell and 25 years for Mr. Cotton.

Messrs. Guiles and Cotton are each entitled to pension benefits at the greater of that provided by Sempra Energy's pension plans or that to which he would have been entitled under the Enova Corporation pension plans (including a supplemental pension plan) had those plans remained in effect. Under the Enova Corporation plans and retirement after attaining age 62, each would be entitled to a monthly pension benefit of 60% of his final pay. Final pay is defined as the monthly base pay rate in effect during the month immediately preceding retirement, plus one-twelfth of the average of the highest three years' gross bonus awards. The plans provide for reduced pension benefits for retirement between the ages of 55 and 62, and surviving spouse and disability benefits equal to 50% and 100%, respectively, of pension benefits.



## Employment-Related Agreements

Sempra Energy has entered into a severance agreement with each of SDG&E's executive officers providing for the payment of benefits in the event Sempra Energy and its subsidiaries terminate the executive's employment (other than for cause, death or disability) or the executive terminates his or her employment for good reason.

The benefits payable under the severance agreements include (i) a lump sum cash payment equal to the executive's annual base salary and average annual bonus for the two years prior to termination multiplied, in certain cases depending upon the officer's position, by as much as 200%; (ii) continuation of health benefits for a period of two years; and (iii) financial planning and outplacement services. In addition, if the termination occurs within two years after a change in control of Sempra Energy, (i) the lump sum cash payment multiple is increased to as much as 300%; (ii) all equity-based incentive awards immediately vest and become exercisable or payable and all restrictions on the awards immediately lapse; (iii) all deferred compensation is paid out in a lump sum; (iv) a lump sum cash payment is made equal to the present value of the executive's benefits under the Supplemental Executive Retirement Plan calculated as if the executive had attained age 62 (or, if the executive is older than 62, based on the executive's actual age) and applying certain early retirement factors; and (v) continued life, disability, accident and health insurance for two years. The agreements also provide for a gross up payment to offset the effects of any excise tax imposed on the executive under Section 4999 of the Internal Revenue Code.

Good reason is defined in the severance agreements to include the assignment to the executive of duties materially inconsistent with those appropriate for an executive of Sempra Energy and its subsidiaries, a material reduction in the executive's overall standing and responsibilities within Sempra Energy and its subsidiaries and a material reduction in the executive's annualized compensation and benefit opportunities other than across-the-board reductions affecting all similarly situated executives of comparable rank. In addition, following a change in control of Sempra Energy, good reason also includes an adverse change in the executive's title, authority, duties, responsibilities or reporting lines, a 10% or greater reduction in the executive's annualized compensation and benefit opportunities, relocation of the executive's principal place of employment by more than 30 miles or a substantial increase in business travel obligations. A change in control is defined to include the acquisition by one person or group of 20% or more of the voting power of Sempra Energy's shares; the election of a new majority of the board comprised of individuals who are not recommended for election by two-thirds of the current directors or successors to the current directors who were so recommended for election; certain mergers, consolidations or sales of assets that result in the shareholders of Sempra Energy owning less than 60% of the voting power of Sempra Energy or of the surviving entity or its parent; and shareholder approval of the liquidation or dissolution of Sempra Energy.

## SHAREHOLDER PROPOSALS

Shareholders intending to bring any business before an Annual Meeting of Shareholders of SDG&E, including nominations of persons for election as directors, must give written notice to the Secretary of SDG&E of the business to be presented. The notice must be received at SDG&E's offices within the periods specified and must be accompanied by the information required by the By-laws. A copy of these By-law requirements will be provided upon request in writing to the Secretary of SDG&E.

The period for notice of business to be brought by shareholders before the 2001 Annual Meeting of Shareholders has expired. The period for the receipt by SDG&E of notice of business to be brought by shareholders before the 2002 Annual Meeting of Shareholders will commence on January 10, 2002 and end on March 11, 2002.

## ANNUAL REPORTS

SDG&E's Annual Report to the Securities and Exchange Commission on Form 10-K is being mailed to shareholders together with this Information Statement.

SAN DIEGO GAS & ELECTRIC COMPANY

AUDIT COMMITTEE CHARTER

Role

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for management's conduct of the Company's financial reporting processes.

Membership and Meetings

The Audit Committee shall be comprised of not less than three members of the Board of Directors. The Committee's composition will meet the requirements of the New York Stock Exchange. Accordingly, the members of the Audit Committee will be directors:

- . None of whom have any relationship to the Company that may interfere with the exercise of independence from management and the Company; and
- . All of whom, as determined by the Board of Directors in its business judgment, are financially literate or will become financially literate within a reasonable period of time after appointment to the Committee and at least one of whom, as so determined by the Board of Directors, has accounting or related financial management expertise.

The Audit Committee will establish its meeting schedule, including executive sessions with management, internal audit staff and the outside auditors.

Responsibilities

The Company's management is responsible for preparing the Company's financial statements and the outside auditors are responsible for auditing the financial statements. Additionally, the Company's financial management including the internal audit staff, as well as the outside auditors, have more time, knowledge and more detailed information of the Company than does the Audit Committee. Consequently, the Audit Committee's role is one of oversight and it does not provide any expert assurance or certification as to the Company's financial statements or the work of the outside auditors or that of the internal audit staff. However, the outside auditor and the director of internal audit are ultimately accountable to the Board of Directors and the Audit Committee.

The following functions are the common recurring activities of the Audit Committee in carrying out its oversight function:

- . The Audit Committee will review and discuss with management the audited financial statements.
- . The Audit Committee will discuss with the outside auditors the matters required to be discussed by Statement of Auditing Standards No. 61.
- . The Audit Committee will:
  - Annually request from the outside auditors, a formal written statement delineating all relationships between the auditor and the Company consistent with Independence Standards Board No. 1;
  - Discuss with the outside auditors any such disclosed relationships and their impact on the outside auditors' independence; and
  - Recommend that the Board of Directors take appropriate action in response to the outside auditors' report to satisfy itself of the auditors' independence.

- . The Audit Committee will discuss with management, the director of internal audit and the outside auditors the adequacy of the Company's internal controls.
- . The Audit Committee, based on the above review and discussions, will make a recommendation to the Board of Directors as to the inclusion of the Company's audited financial statements in the Company's Annual Report to the Securities and Exchange Commission on Form 10-K.
- . The Audit Committee has the responsibility to evaluate the outside auditor and to recommend to the Board of Directors the retention of and, where appropriate, replacement of the outside auditors.
- . The Audit Committee will review the adequacy of this Charter on an annual basis and recommend any changes believed to be appropriate to the Board of Directors.

As adopted on March 7, 2000