

Registration No. 333-52150

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AMENDMENT NO. 1

TO  
FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

San Diego Gas & Electric Company  
(Exact name of registrant as specified in its charter)

California  
(State or other jurisdiction of  
incorporation or organization)

95-1184800  
(I.R.S. Employer  
Identification)

8326 Century Park Court  
San Diego, California 92123  
(619) 696-2000

(Name, address, including zip code, and telephone number, including area code,  
of each registrant's principal executive offices)

Copies to:  
Steven D. Davis  
San Diego Gas & Electric Company  
Vice President and Corporate Secretary  
8326 Century Park Court  
San Diego, California 92123  
(619) 696-2000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time  
to time after the registration statement becomes effective, as determined by  
market and other conditions.

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the  
following box.

If any of the securities being registered on this Form are to be offered on  
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or  
interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please check the following  
box and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement  
for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434,  
please check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered(1)	Amount to be registered(1)(2)(3)	Proposed maximum aggregate offering price(3)(4)	Amount of Registration Fee(5)
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Senior Unsecured Debt Securities.....

First Mortgage Bonds.....

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Total..... \$800,000,000 \$800,000,000 \$211,200  
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- (1) An indeterminate principal amount or number of senior unsecured debt securities and first mortgage bonds with an aggregate offering price not to exceed \$800,000,000.
- (2) In United States dollars or the equivalent thereof in any other currency, composite currency or currency unit as shall result in an aggregate initial offering price for all debt securities of \$800,000,000.
- (3) This amount represents the principal amount of any debt securities issued at their stated principal amount and the issue price of any debt securities issued at a discount from the stated principal amount.
- (4) Estimated solely for the purpose of calculating the registration fee, which is calculated in accordance with Rule 457(o) of the rules and regulations under the Securities Act of 1933. Rule 457(o) permits the registration fee to be calculated on the basis of the maximum offering price of all of the securities listed and, therefore, the table does not specify by each class information as to the amount to be registered, the proposed maximum offering price per unit or the proposed maximum aggregate offering price.
- (5) This amount was previously paid with the initial filing of this registration statement.

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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+The information in this preliminary prospectus is not complete and may be +  
+changed. We may not sell these securities until the registration statement +  
+filed with the Securities and Exchange Commission is effective. This +  
+preliminary prospectus is not an offer to sell these securities and it is not +  
+soliciting an offer to buy these securities in any state where the offer or +  
+sale is not permitted. +  
+++++

SUBJECT TO COMPLETION, DATED FEBRUARY 27, 2001

PRELIMINARY PROSPECTUS

\$800,000,000

SAN DIEGO GAS & ELECTRIC COMPANY

Senior Unsecured Debt Securities

First Mortgage Bonds

We may offer and sell senior unsecured debt securities (the "senior debt securities") and first mortgage bonds (the "bonds") from time to time in one or more offerings. The senior debt securities and the bonds are collectively referred to herein as the "debt securities." This prospectus provides you with a general description of the debt securities we may offer.

Each time we sell debt securities we will provide a supplement to this prospectus that contains specific information about the offering and the terms of the debt securities. The supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus and the accompanying prospectus supplement before you invest in any of our debt securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is \_\_\_\_\_, 2001

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ABOUT THIS PROSPECTUS

This prospectus is part of a "shelf" registration statement that we filed with the United States Securities and Exchange Commission, or the "SEC." By using a shelf registration statement, we may sell up to \$800,000,000 offering price of any combination of the debt securities described in this prospectus from time to time and in one or more offerings. This prospectus only provides you with a general description of the debt securities that we may offer. Each time we sell debt securities, we will provide a supplement to this prospectus that contains specific information about the terms of the debt securities. The supplement may also add, update or change information contained in this prospectus. Before purchasing any securities, you should carefully read both this prospectus and the accompanying prospectus supplement, together with the additional information described under the heading "Where You Can Find More Information."

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell the debt securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the accompanying prospectus supplement is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

## FORWARD-LOOKING STATEMENTS

This prospectus, any accompanying prospectus supplement and the documents they incorporate by reference may contain statements that are not historical fact and constitute "forward-looking statements." When we use words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "should" or similar expressions, or when we discuss our strategy or plans, we are making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Our future results may differ materially from those expressed in these forward-looking statements. These statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others:

- . national, international, regional and local economic, competitive, technological, political, legislative and regulatory conditions and developments;
- . capital market conditions, inflation rates, exchange rates and interest rates;
- . energy markets, including the timing and extent of changes in commodity prices;
- . weather conditions;
- . business, regulatory and legal decisions;
- . deregulation of retail natural gas and electricity delivery;
- . the timing and success of business development efforts; and
- . other uncertainties, all of which are difficult to predict and many of which are beyond our control.

You are cautioned not to rely unduly on any forward-looking statements. These risks and uncertainties are discussed in more detail under "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 1999, our Quarterly Reports on Form 10-Q for the three-month periods ended March 31, 2000, June 30, 2000 and September 30, 2000, and other documents on file with the SEC. You may obtain copies of these documents as described under "Where You Can Find More Information" in this prospectus.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

We file reports, proxy statements and other information with the SEC. You can inspect and copy information we file with the SEC at the Public Reference Room maintained by the SEC and at the Regional Offices of the SEC as follows:

Public Reference Room	New York Regional Office	Chicago Regional Office
450 Fifth Street, N.W.	7 World Trade Center	Citicorp Center
Room 1024	Suite 1300	500 West Madison Street
Washington, D.C. 20549	New York, New York 10048	Suite 1400
		Chicago, Illinois 60661-2551

You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, such as us, who file electronically with the SEC. The address of that site is <http://www.sec.gov>.

Certain of our securities are listed on the American Stock Exchange (AMEX: SDO.A, SDO.B, SDO.C and SDO.H), and you may inspect reports, proxy statements and other information concerning us at the offices of the American Stock Exchange at 86 Trinity Place, New York, New York 10006-1817.

This prospectus is part of a registration statement that we filed with the SEC. The full registration statement may be obtained from the SEC or from us, as indicated below. Forms of the indentures and other documents establishing the terms of the offered securities are filed as exhibits to the registration statement. Statements in this prospectus about these documents are summaries. You should refer to the actual documents for a more complete description of the relevant matters.

Incorporation by Reference

The rules of the SEC allow us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about us.

SEC Filings (File No. 1-14201)	Period
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Annual Report on Form 10-K.....	Year ended December 31, 1999
Quarterly Reports on Form 10-Q.....	Three-month periods ended March 31, 2000, June 30, 2000 and September 30, 2000
Current Report on Form 8-K.....	Filed December 5, 2000
Registration Statement on Form 8-A..	Filed June 5, 1998

We are also incorporating by reference all additional documents that we file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, between the date of this prospectus and the termination of the offering of securities described in this prospectus.

We will provide without charge to each person to whom a copy of this prospectus has been delivered a copy of any and all of these filings. You may request a copy of these filings by writing or telephoning us at:

San Diego Gas & Electric Company  
 8326 Century Park Court  
 San Diego, California 92123  
 Attention: Corporate Secretary  
 Telephone: (619) 696-2034

SAN DIEGO GAS & ELECTRIC COMPANY

We are a regulated electric and natural gas distribution utility providing electric service to 3 million California customers through 1.2 million electric meters in San Diego and southern Orange counties and natural gas service through 740,000 natural gas meters to San Diego County. Our service area encompasses 4,100 square miles covering two counties and 25 cities. We are a subsidiary of Sempra Energy, a California-based Fortune 500 energy services company.

For additional information concerning us, you should refer to the information described under the caption "Where You Can Find More Information" in this prospectus.

Our offices are located at 8326 Century Park Court, San Diego, California 92123 and our telephone number is (619) 696-2000. Our web site is [www.sdge.com](http://www.sdge.com). This reference to our web site is not an active hyperlink and the information found on our web site does not constitute a part of this prospectus. The terms "we," "our" and "us" are used in this document for purposes of convenience and are intended to refer to San Diego Gas & Electric Company and/or its subsidiaries, either individually or collectively, as the context may require.

USE OF PROCEEDS

Unless stated otherwise in the applicable prospectus supplement, we will use the net proceeds from the sale of the offered securities for capital investment, repayment of maturing indebtedness and for general corporate purposes, including working capital.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of our earnings to fixed charges for each of the five years in the five-year period ended December 31, 1999 and for each of the nine-month periods ended September 30, 1999 and 2000:

	December 31,					Nine Months Ended September 30,	
	1995	1996	1997	1998	1999	1999	2000
Ratio of Earnings to Fixed Charges.....	3.92	4.54	5.00	3.36	3.15	3.49	2.98

## DESCRIPTION OF DEBT SECURITIES

The following is a general description of the terms and provisions of the debt securities we may offer and sell by this prospectus. These summaries are not meant to be a complete description of each debt security. This prospectus and any prospectus supplement will contain the material terms and conditions for each debt security. A prospectus supplement may add, update or change the terms and conditions of the debt securities as described in this prospectus. For more information about the debt securities offered by us, please refer to:

- . the indenture between us and U.S. Bank Trust National Association, as trustee, relating to the issuance of each series of senior debt securities by us (the "senior indenture"); and
- . the mortgage and deed of trust between us and U.S. Bank Trust National Association, as trustee, relating to the issuance of each series of first mortgage bonds by us, as amended by a Second Supplemental Indenture dated as of March 1, 1948, by a Ninth Supplemental Indenture dated as of August 1, 1968, by a Tenth Supplemental Indenture dated as of December 1, 1968, by a Sixteenth Supplemental Indenture dated as of August 28, 1978 and by a Thirtieth Supplemental Indenture dated as of September 28, 1983 (collectively, the "bond indenture").

Forms of these documents are scheduled as exhibits to the registration statement. The indentures are subject to and governed by the Trust Indenture Act of 1939, as amended, and may be supplemented or amended from time to time following their execution.

## DESCRIPTION OF UNSECURED SENIOR DEBT SECURITIES

Unless indicated differently in a prospectus supplement, the following is a general description of the terms and provisions of the senior debt securities we may offer and sell by this prospectus. In this section, references to "indenture" mean the senior indenture.

The senior debt securities will be governed by the senior indenture. The indenture gives us broad authority to set the particular terms of each series of senior debt securities, including the right to modify certain of the terms contained in the indenture. The particular terms of a series of senior debt securities and the extent, if any, to which the particular terms of the issue modify the terms of the indenture will be described in a prospectus supplement relating to such series of senior debt securities.

The indenture contains the full legal text of the matters described in this section. Because this section is a summary, it does not describe every aspect of the senior debt securities or the indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including definitions of terms used in the indenture. We also include references in parentheses to particular sections of the indenture. Whenever we refer to particular sections or defined terms of the indenture in this prospectus or in a prospectus supplement, these sections or defined terms are incorporated by reference into this prospectus or in the prospectus supplement. This summary also is subject to and qualified by reference to the description of the terms of a particular series of senior debt securities described in the applicable prospectus supplement.

### General

We may issue an unlimited amount of senior debt securities under the indenture in one or more series. We are not required to issue all senior debt securities of one series at the same time and, unless otherwise provided in a prospectus supplement, we may reopen a series, without the consent of the holders of the senior debt securities of that series, for issuances of additional senior debt securities of that series. The senior debt securities will be our unsecured obligations.

Prior to the issuance of each series of senior debt securities, the terms of the particular securities will be specified in either a supplemental indenture, including any pricing supplement, and a board resolution or in one or



more officers' certificates pursuant to a supplemental indenture or a board resolution. We refer you to the applicable prospectus supplement for a description of the following terms of each series of senior debt securities:

- . the title of the senior debt securities;
- . any limit upon the principal amount of the senior debt securities;
- . the date or dates on which principal will be payable or how to determine the dates;
- . the rate or rates or method of determination of interest; the date from which interest will accrue; the dates on which interest will be payable, which we refer to as the "interest payment dates" and any record dates for the interest payable on the interest payment dates;
- . any obligation or option we have to redeem, purchase or repay senior debt securities, or any option of the registered holder to require to redeem or repurchase senior debt securities, and the terms and conditions upon which the senior debt securities will be redeemed, purchased or repaid;
- . the denominations in which the senior debt securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof;
- . whether the senior debt securities are to be issued in whole or in part in the form of one or more global debt securities and, if so, the identity of the depository for the global debt securities; and
- . any other terms of the senior debt securities that may be different from those described below.

(See Section 301.)

#### Ranking

The senior debt securities will be our unsecured and unsubordinated obligations. The indebtedness represented by the senior debt securities will rank equally with all our other unsecured and unsubordinated debt. The senior debt securities are our obligations exclusively, and are not the obligations of our subsidiaries or our parent. As of December 31, 2000 we had outstanding \$675,000,000 of first mortgage bonds. Although the senior debt securities will be our senior unsubordinated obligations, the outstanding first mortgage bonds will have a claim to the assets securing the first mortgage bonds prior to any claim by holders of the senior debt securities.

#### Payment of Senior Debt Securities--Interest

We will pay interest on the senior debt securities on each interest payment date by check mailed to the person in whose name the senior debt securities are registered as of the close of business on the regular record date relating to the interest payment date.

However, if we default in paying interest on a senior debt security, we will pay defaulted interest in either of the two following ways:

- . We will first propose to the trustee a payment date for the defaulted interest. Next, the trustee will choose a special record date for determining which registered holders are entitled to the payment. The special record date will be between 10 and 15 days before the proposed payment date. Finally, we will pay the defaulted interest on the payment date to the registered holder of the senior debt securities as of the close of business on the special record date.
- . Alternatively, we can propose to the trustee any other lawful manner of payment that is consistent with the requirements of any securities exchange on which the senior debt securities are listed for trading. If the trustee thinks the proposal is practicable, payment will be made as proposed.

(See Section 307.)

## Payment of Senior Debt Securities--Principal

We will pay principal of and any premium on the senior debt securities at stated maturity, upon redemption or otherwise, upon presentation of the senior debt securities at the office of the trustee, as paying agent. Any other paying agent initially designated for the senior debt securities of a particular series will be named in the applicable prospectus supplement. In our discretion, we may appoint one or more additional paying agents and security registrars and designate one or more additional places for payment and for registration of transfer, but must at all times maintain a place of payment of the debt securities and a place for registration of transfer of the senior debt securities in the Borough of Manhattan, the City of New York, New York. (See Section 1002.)

If any interest payment date, redemption date or the maturity date of the senior debt securities is not a business day at any place of payment, then payment of the principal, premium, if any, and interest may be made on the next business day at that place of payment. In that case, no interest will accrue on the amount payable for the period from and after the applicable interest payment date, redemption date or maturity date, as the case may be.

## Form; Transfers; Exchanges

The senior debt securities will be issued

- . only in fully registered form;
- . without interest coupons; and
- . in denominations that are even multiples of \$1,000.

You may have your senior debt securities divided into senior debt securities of smaller denominations, of at least \$1,000, or combined into senior debt securities of larger denominations, as long as the total principal amount is not changed. This is called an "exchange." (See Section 302.)

You may exchange or transfer senior debt securities at the office of the trustee. The trustee acts as our agent for registering senior debt securities in the names of holders and transferring senior debt securities. We may appoint another agent or act as our own agent for this purpose. The entity performing the role of maintaining the list of registered holders is called the "security registrar." It will also perform transfers. (See Section 305.)

In our discretion, we may change the place for registration of transfer of the senior debt securities and may remove and/or appoint one or more additional security registrars. (See Sections 305 and 1002.)

Except as otherwise provided in a prospectus supplement, there will be no service charge for any transfer or exchange of the senior debt securities, but you may be required to pay a sum sufficient to cover any tax or other governmental charge payable by us in connection with the transfer or exchange. We may block the transfer or exchange of (a) senior debt securities during a period of 15 days prior to giving any notice of redemption or (b) any senior debt security selected for redemption in whole or in part, except the unredeemed portion of any senior debt security being redeemed in part. (See Section 305.)

## Optional Redemption

All or a portion of the senior debt securities may be redeemed at our option at any time or from time to time. The redemption price for the senior debt securities to be redeemed on any redemption date will be equal to the greater of the following amounts:

- . 100% of the principal amount of the senior debt securities being redeemed on the redemption date; or
- . the sum of the present values of the remaining scheduled payments of principal and interest on the senior debt securities being redeemed on that redemption date (not including any portion of any payments of accrued and unpaid interest to the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus a number of basis points as set forth in any accompanying prospectus supplement, as determined by the Reference Treasury Dealer (as defined below),

plus, in each case, accrued and unpaid interest thereon to the redemption date. Notwithstanding the foregoing, installments of interest on the senior debt securities that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the senior debt securities and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each registered holder of the senior debt securities to be redeemed. Once notice of redemption is mailed, the senior debt securities called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date. If we elect to redeem all or a portion of the senior debt securities, that redemption will not be conditional upon receipt by the paying agent or the trustee of monies sufficient to pay the redemption price. (See Section 1104.)

Senior debt securities will cease to bear interest on the redemption date. We will pay the redemption price and any accrued interest once you surrender the senior debt security for redemption. (See Section 1105.) If only part of a senior debt security is redeemed, the trustee will deliver to you a new senior debt security of the same series for the remaining portion without charge. (See Section 1106.)

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the senior debt securities or portions thereof called for redemption.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the senior debt securities to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such senior debt securities.

"Comparable Treasury Price" means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the trustee receives fewer than three such Reference Treasury Dealer Quotations, the average of all such Quotations, or (C) if the trustee receives only one Reference Treasury Dealer Quotation is received, such Quotation.

"Reference Treasury Dealer" means (A) the underwriters referenced in the applicable prospectus supplement, provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), we will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer(s) selected by the trustee after consultation with us.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such redemption date.

#### Events of Default

An "event of default" occurs with respect to the senior debt securities of any series if:

- . we do not pay any interest on any senior debt securities of the applicable series within 30 days of the due date;

- . we do not pay any principal of or premium on any senior debt securities of the applicable series on the due date;
- . we remain in breach of a covenant or warranty (excluding covenants and warranties solely applicable to another series of debt securities issued under the indenture) in the indenture or the senior debt securities of the applicable series for 60 days after we receive a written notice of default stating we are in breach and requiring remedy of the breach; the notice must be sent by either the trustee or registered holders of at least 25% of the principal amount of the outstanding senior debt securities of the affected series;
- . default occurs under any bond, note, debenture or other instrument evidencing any indebtedness for money borrowed by us, excluding our subsidiaries (including a default with respect to any other series of senior debt securities issued under the indenture), or under any mortgage, indenture or other instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by us, or the payment of which is guaranteed by us, excluding our subsidiaries, whether such indebtedness or guarantee exists on the date of the indenture or is issued or entered into following the date of the indenture, if:

(A) either:

- . such default results from the failure to pay any such indebtedness when due; or
- . as a result of such default the maturity of such indebtedness has been accelerated prior to its expressed maturity; and

(B) the principal amount of such indebtedness, together with the principal amount of any other such indebtedness in default for failure to pay any such indebtedness when due or the maturity of which has been so accelerated, aggregates at least \$25 million;

- . we file for bankruptcy or other specified events in bankruptcy, insolvency, receivership or reorganization occur; or
- . any other event of default specified in the prospectus supplement for such series occurs.

(See Section 501.)

No event of default with respect to a series of senior debt securities necessarily constitutes an event of default with respect to the senior debt securities of any other series issued under the indenture.

#### Remedies

##### Acceleration

If an event of default occurs and is continuing with respect to any series of senior debt securities, then either the trustee or the registered holders of at least 25% in principal amount of the outstanding senior debt securities of that series may declare the principal amount of all of the senior debt securities of that series, together with accrued and unpaid interest thereon, to be due and payable immediately. (See Section 502.)

##### Rescission of Acceleration

After the declaration of acceleration has been made with respect to any series of senior debt securities and before the trustee has obtained a judgment or decree for payment of the money due, the declaration and its consequences will be rescinded and annulled, if:

- (a) we pay or deposit with the trustee a sum sufficient to pay:
  - . all overdue interest on the senior debt securities of that series, other than interest which has become due by declaration of acceleration;
  - . the principal of and any premium on the senior debt securities of that series which have become due, otherwise than by the declaration of acceleration, and overdue interest on these amounts;

- . interest on overdue interest, other than interest which has become due by declaration of acceleration, on the senior debt securities of that series to the extent lawful; and
  - . all amounts due to the trustee under the indenture; and
- (b) all events of default with respect to the senior debt securities of that series, other than the nonpayment of the principal and interest which has become due solely by the declaration of acceleration, have been cured or waived as provided in the indenture.

(See Section 502.)

For more information as to waiver of defaults, see "Waiver of Default and of Compliance" below.

#### Control by Registered Holders; Limitations

If an event of default with respect to the senior debt securities of any series occurs and is continuing, the registered holders of a majority in principal amount of the outstanding senior debt securities of that series, voting as a single class, without regard to the holders of outstanding senior debt securities of any other series that may also be in default, will have the right to direct the time, method and place of:

- . conducting any proceeding for any remedy available to the trustee with respect to the senior debt securities of that series; and
- . exercising any trust or power conferred on the trustee with respect to the senior debt securities of that series.

These rights of registered holders to give directions are subject to the following limitations:

- . the registered holders' directions do not conflict with any law or the indenture; and
- . the direction is not unduly prejudicial to the rights of holders of the senior debt securities of that series who do not join in that action.

The trustee may also take any other action it deems proper which is consistent with the registered holders' direction. (See Sections 512 and 603.)

In addition, the indenture provides that no registered holder of senior debt securities of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the indenture or for the appointment of a receiver or for any other remedy under the indenture unless:

- . that registered holder has previously given the trustee written notice of a continuing event of default;
- . the registered holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series have made written request to the trustee to institute proceedings in respect of that event of default and have offered the trustee reasonable indemnity against costs and liabilities incurred in complying with the request; and
- . for 60 days after receipt of the notice, the trustee has failed to institute a proceeding and no direction inconsistent with the request has been given to the trustee during the 60-day period by the registered holders of a majority in aggregate principal amount of outstanding senior debt securities of that series.

Furthermore, no registered holder will be entitled to institute any action if and to the extent that the action would disturb or prejudice the rights of other registered holders of senior debt securities. (See Section 507.)

However, each registered holder has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right. (See Section 508.)

## Notice of Default

The trustee is required to give the registered holders of senior debt securities of the affected series notice of any default under the indenture to the extent required by the Trust Indenture Act, unless the default has been cured or waived; except that in the case of an event of default of the character specified above in the third bullet under the caption "Events of Default," no notice shall be given to such registered holders until at least 30 days after the occurrence of the default. The Trust Indenture Act currently permits the trustee to withhold notices of default (except for certain payment defaults) if the trustee in good faith determines the withholding of the notice to be in the interests of the registered holders. (See Section 1602.)

We will furnish the trustee with an annual statement as to our compliance with the conditions and covenants in the indenture.

## Waiver of Default and of Compliance

The registered holders of a majority in aggregate principal amount of the outstanding senior debt securities of any series, voting as a single class, without regard to the holders of outstanding senior debt securities of any other series, may waive, on behalf of all registered holders of the senior debt securities of that series, any past default under the indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the indenture that cannot be amended without the consent of the registered holder of each outstanding senior debt security of that series. (See Section 513.)

Compliance with certain covenants in the indenture or otherwise provided with respect to senior debt securities of any series may be waived by the registered holders of a majority in aggregate principal amount of the senior debt securities of that series. (See Section 1006.)

## Consolidation, Merger and Conveyance of Assets as an Entirety; No Financial Covenants

We have agreed not to consolidate or merge with or into any other entity, or to sell, transfer, lease or otherwise convey any of our property and assets as an entirety or substantially as an entirety to any entity, unless:

- . we are the continuing entity (in the case of a merger) or the successor entity formed by such consolidation or into which we are merged or which acquires by sale, transfer, lease or other conveyance our property and assets, as an entirety or substantially as an entirety, is a corporation organized and existing under the laws of the United States of America or any state thereof or the District of Columbia, and expressly assumes, by supplemental indenture, the due and punctual payment of the principal, premium and interest on all the senior debt securities and the performance of all of the covenants under the indenture; and
- . immediately after giving effect to the transaction, no event of default, and no event which after notice or lapse of time or both would become an event of default, has or will have occurred and be continuing.

The indenture does not contain any financial or other similar restrictive covenants.

(See Section 801.)

## Modification of Indenture

Without Registered Holder Consent. Without the consent of any registered holders of senior debt securities, we and the trustee may enter into one or more supplemental indentures for any of the following purposes:

- . to evidence the succession of another entity to us; or
- . to add one or more covenants for the benefit of the holders of all or any series of senior debt securities or to surrender any right or power conferred upon us; or

- . to add any additional events of default for all or any series of senior debt securities; or
- . to change or eliminate any provision of the indenture so long as the change or elimination does not apply to any senior debt securities entitled to the benefit of such provision or to add any new provision to the indenture, in addition to the provisions which may otherwise be added to the indenture pursuant to the other clauses of this paragraph, so long as the addition does not apply to any outstanding senior debt securities; or
- . to provide security for the senior debt securities of any series; or
- . to establish the form or terms of senior debt securities of any series, as permitted by the indenture; or
- . to evidence and provide for the acceptance of appointment of a separate or successor trustee; or
- . to cure any ambiguity, defect or inconsistency or to make any other changes with respect to any series of senior debt securities that do not adversely affect the interests of the holders of senior debt securities of that series in any material respect.

(See Section 901.)

With Registered Holder Consent. Subject to the following sentence, we and the trustee may, with some exceptions, amend or modify the indenture with the consent of the registered holders of at least a majority in aggregate principal amount of the senior debt securities of each series affected by the amendment or modification. However, no amendment or modification may, without the consent of the registered holder of each outstanding senior debt security affected thereby:

- . change the stated maturity of the principal or interest on any senior debt security or reduce the principal amount, interest or premium payable or change any place of payment where or the currency in which any senior debt security is payable, or impair the right to bring suit to enforce any payment;
- . reduce the percentages of registered holders whose consent is required for any supplemental indenture or waiver; or
- . modify certain of the provisions in the indenture relating to supplemental indentures and waivers of certain covenants and past defaults.

A supplemental indenture which changes or eliminates any provision of the indenture expressly included solely for the benefit of holders of senior debt securities of one or more particular series will be deemed not to affect the interests under the indenture of the holders of senior debt securities of any other series.

(See Section 902.)

#### Defeasance

The indenture provides, unless the terms of the particular series of senior debt securities provide otherwise, that we may, upon satisfying several conditions, be discharged from our obligations, with some exceptions, with respect to any series of senior debt securities, which we refer to as "defeasance."

One condition we must satisfy is the irrevocable deposit with the trustee, in trust, of money and/or government obligations which, through the scheduled payment of principal and interest on those obligations, would provide sufficient funds to pay the principal of and any premium and interest on those senior debt securities on the maturity dates of the payments or upon redemption.

In addition, we will be required to deliver an opinion of counsel to the effect that a holder of senior debt securities will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and will be subject to federal income tax on the same amounts, at the same times and in the same manner as if that defeasance had not occurred. The opinion of counsel must be based upon a ruling of the Internal Revenue Service or a change in law after the date of the indenture.

(See Article XIII.)



## Satisfaction and Discharge

The indenture will cease to be of further effect with respect to any series of senior debt securities, and we will be deemed to have satisfied and discharged all of our obligations under the indenture, except as noted below, when:

- . all outstanding senior debt securities of such series have become due or will become due within one year at their stated maturity or on a redemption date; and
- . we deposit with the trustee, in trust, funds that are sufficient to pay and discharge all remaining indebtedness on the outstanding senior debt securities of such series.

We will remain obligated to pay all other amounts due under the indenture and to perform certain ministerial tasks as described in the indenture.

(See Section 401.)

## Resignation and Removal of the Trustee; Deemed Resignation

The trustee with respect to any series of senior debt securities may resign at any time by giving us written notice. The trustee may also be removed with respect to the senior debt securities of any series by act of the registered holders of a majority in principal amount of the then outstanding senior debt securities of such series. No resignation or removal of the trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the indenture. Under certain circumstances, we may appoint a successor trustee with respect to such series and if the successor trustee accepts, the trustee will be deemed to have resigned. (See Section 610.)

## Miscellaneous Provisions

The indenture provides that certain senior debt securities, including those for which payment or redemption money has been deposited or set aside in trust as described under the caption "Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the registered holders of the requisite principal amount of the outstanding senior debt securities have given or taken any demand, direction, consent or other action under the indenture as of any date, or are present at a meeting of registered holders for quorum purposes. (See Section 101.)

We will be entitled to set any day as a record date for the purpose of determining the registered holders of outstanding senior debt securities of any series entitled to give or take any demand, direction, consent or other action under the indenture, in the manner and subject to the limitations provided in the indenture. In certain circumstances, the trustee also will be entitled to set a record date for action by registered holders of any series. If a record date is set for any action to be taken by registered holders of particular senior debt securities, the action may be taken only by persons who are registered holders of the respective senior debt securities on the record date. (See Section 104.)

## Governing Law

The indenture and the related senior debt securities will be governed by and construed in accordance with the laws of the State of New York. (See Section 112.)

## DESCRIPTION OF FIRST MORTGAGE BONDS

Unless indicated differently in a prospectus supplement, the following is a general description of the terms and provisions of the bonds we may offer and sell by this prospectus. In this section, references to "indenture" mean the bond indenture.

The bonds will be governed by the indenture. The indenture gives us broad authority to set the particular terms of each series of bonds, including the right to modify certain of the terms contained in the indenture. The particular terms of a series of bonds and the extent, if any, to which the particular terms of the issue modify the terms of the indenture will be described in any accompanying prospectus supplement relating to such series of bonds.

The indenture contains the full legal text of the matters described in this section. Because this section is a summary, it does not describe every aspect of the bonds or the indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including definitions of terms used in the indenture. We also include references in parentheses to particular sections of the indenture. Whenever we refer to particular sections or defined terms of the indenture in this prospectus or in a prospectus supplement, these sections or defined terms are incorporated by reference into this prospectus or in a prospectus supplement. This summary also is subject to and qualified by reference to the description of the terms of a particular series of bonds described in the applicable prospectus supplement.

### General

We may issue an unlimited amount of bonds under the indenture in one or more series. The bonds will be issued in denominations of \$1,000 and integral multiples of \$1,000 and only in either definitive form as registered bonds or in book-entry form. Bonds issued in definitive form will be payable, exchangeable for bonds of other authorized denominations and transferable at the office of the trustee in the Borough of Manhattan, City of New York, New York.

Prior to the issuance of each series of bonds, the terms of the particular series of bonds will be specified in a supplemental indenture (including any pricing supplement) and a board resolution. We refer you to the applicable prospectus supplement for a description of the following terms of each series of bonds:

- . the title of the bonds;
- . any limit upon the principal amount of the bonds;
- . the date or dates on which principal will be payable or how to determine the dates;
- . the rate or rates or method of determination of interest; the date from which interest will accrue; the dates on which interest will be payable, which we refer to as the "interest payment dates" and any record dates for the interest payable on the interest payment dates;
- . any obligation or option we have to redeem, purchase or repay bonds, or any option of the registered holder to require to redeem or repurchase bonds, and the terms and conditions upon which the bonds will be redeemed, purchased or repaid;
- . the denominations in which the bonds will be issuable, if other than denominations of \$1,000 and any integral multiple thereof;
- . whether the bonds are to be issued in whole or in part in the form of one or more global securities and, if so, the identity of the depositary for the global securities; and
- . any other terms of the bonds that may be different from those described below.

## Security for the Bonds

The bonds will be secured by the indenture constituting a valid first lien upon all property and franchises owned by us (except as stated in the following paragraph). All of the bonds issued under the indenture will be secured on a pro rata basis, subject only to permitted liens, non-callable liens, if any, the lien of the trustee for its expenses and advances, and to the provisions relating to any sinking or similar fund for the benefit of any bonds of a particular series.

The following are not subject to the lien contained in the indenture:

- . gas, electric energy and steam produced, purchased or otherwise acquired;
- . contracts, choses-in-action and securities;
- . merchandise and appliances acquired for sale or lease and contracts for the sale of merchandise and appliances;
- . motor vehicles;
- . timber on land owned by us;
- . minerals and mineral rights in land owned by us;
- . oil, coal or gas, or related rights, in land owned by us or gas wells or oil wells or related equipment or coal mines or related equipment;
- . fuel held for consumption;
- . receivables;
- . cash; and
- . the last day of the term of any leasehold estates.

Subject to such limitations and exceptions, all property acquired by us after the date of the indenture will be further security as described in the indenture. (See Granting Clause of the indenture.)

As of December 31, 2000, the net book value of the property subject to a first lien of the indenture was in excess of \$2.6 billion.

## Ranking

The bonds will be our secured and unsubordinated obligations and will rank on a parity in right of payment with all of our other secured and unsubordinated indebtedness. The bonds are our obligations exclusively, and are not the obligations of any of our subsidiaries. We presently have outstanding \$600 million of first mortgage bonds.

## Payment of Bonds--Principal and Interest

We will pay principal of the bonds at stated maturity, upon redemption or otherwise, upon presentation of the bonds at the office of the trustee, as our paying agent. So long as the bonds are in book-entry form, we will make payments on the bonds to DTC or its nominee, as the registered owner of the bonds, by wire transfer of immediately available funds. If bonds are issued in definitive certificated form under the limited circumstances described under the caption "Book-Entry, Delivery and Form," we will have the option of paying interest by check mailed to the addresses of the persons entitled to payment or by wire transfer to bank accounts in the United States designated in writing to the trustee at least 15 days before the applicable payment date by the persons entitled to payment.

## Form; Transfers; Exchanges

The bonds initially will be issued in book-entry form and represented by one or more global securities deposited with, or on behalf of, The Depository Trust Company, as depository, and registered in the name of Cede & Co., its nominee. This means that you will not be entitled to receive a certificate for the bonds that your purchase except under the limited circumstances described below under the caption "Book-Entry, Delivery and Form." If any of the bonds are issued in certificated form they will be issued only in fully registered form without coupons, in denominations of \$1,000 and integral multiples of \$1,000.

So long as the bonds are in book-entry form, you will receive payments and may transfer bonds only through the facilities of DTC and its direct and indirect participants as described below under the caption "Book-Entry, Delivery and Form." We will maintain an office or agency in the Borough of Manhattan, The City of New York where notices and demands in respect of the bonds and the indenture may be delivered to us and where certificated bonds including the bonds may be surrendered for payment, registration of transfer or exchange. That office or agency will initially be an office of the trustee, which is currently located at 100 Wall Street, Suite 1600, New York, New York 10005.

The bonds may be divided into bonds of smaller denominations, of at least \$1,000 multiples, or combined into bonds of larger denominations, so long as the total principal amount is not changed. The bonds may also contain provisions permitting the exchange or interchange of bonds from registered bonds to coupon bonds or coupon bonds to registered bonds. (See Section 10 of Article II.) You may exchange or transfer bonds at the office of the trustee. (See Section 11 of Article II.)

## Optional Redemption

In the event of a sale, release, the taking by eminent domain, or the purchase by public authority of the property constituting or including all or substantially all of our electric distribution system in the City of San Diego, we may use the proceeds from the sale or disposition only for the redemption, at our option, of all or a portion of the bonds outstanding under the indenture at a redemption price of par plus accrued and unpaid interest to the date of redemption. The bonds designated to be redeemed will be prorated, in amount, as between the bonds of all series then outstanding under the indenture in proportion to the respective total principal amounts of the bonds of each series outstanding under the indenture and will be redeemed at the redemption price specified for each respective series upon its issuance. (See Section 13 of Article XI.)

In addition, in the event that the proceeds from the sale or disposition of property securing the bonds outstanding under the indenture held by the trustee exceeds \$50,000 for at least two years, then we may direct the trustee to apply the proceeds, at our option, for redemption, in whole or in part, of one or more series of the bonds. To the extent that we use the proceeds from the sale of collateral to redeem bonds, we may limit the redemption to one or more series of the outstanding bonds but we are not required to use the proceeds to redeem all of the outstanding bonds on a pro rata basis. (See Section 11 of Article XI.)

We will mail notice of any redemption at least 30 days, or such other number of days as shall be fixed by the terms of the bonds to be redeemed, but not more than 60 days, before the redemption date to each holder of registered bonds to be redeemed. We may rescind our notice of redemption within five days prior to the redemption date if we notify the trustee in writing, publish such notice in a required newspaper and mail notice of our rescission to each registered holder to whom notice of redemption was mailed. Unless otherwise rescinded, once we give notice of our intent to redeem, we will, prior to the redemption date, deposit with the trustee a sum of money sufficient to redeem such bonds. (See Section 2 of Article X.)

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the bonds or portions thereof called for redemption. (See Section 6 of Article X.)

## Maintenance Fund

We will pay to the trustee annually on May 1, as a maintenance fund, an amount equal to 15% of "Gross Operating Revenues" (as defined below) for the preceding calendar year, less, at our option, credits for the following:

- (a) maintenance,
- (b) retirement of bonds,
- (c) "Amounts of Available Permanent Additions" (as defined below), and
- (d) 15% of that portion of Gross Operating Revenues attributable to rate increases granted to us since July 1, 1973 to offset increases in our cost of fuel for electric generation and natural gas.

Withdrawals from the maintenance fund may be made on the basis of retirements of bonds and Amounts of Available Permanent Additions (as defined below). (See Article IX.)

"Gross Operating Revenues" means and includes all revenues derived or accrued from the operation of physical properties which we own or operate.

"Amounts of Available Permanent Additions" means the "cost" (as defined below) or Fair Value (as defined below), whichever is less, of all property subject to the indenture after deducting the "Amount of Net Property Retirements" (as defined below), if any, computed not more than ninety (90) days preceding the authentication and delivery of bonds or the withdrawal of cash applied for in the accompanying application; provided that the Amount of Net Property Retirements so deducted in any such certificate shall correspondingly reduce the Amount of Net Property Retirements deductible in any succeeding such certificate.

"Cost" means the amounts paid, expended or incurred by us for "permanent additions" (as defined in the indenture) and added to our capital account, including the principal amount of any monetary obligations incurred by us, or subject to which such permanent additions are acquired, in connection with the acquisition and construction thereof. (See Section 7 of Article I.)

"Fair Value" means the fair and reasonable value to us on such date.

"Amount of Net Property Retirements" means the amount, if any, by which the aggregate amount of all property no longer subject to the indenture ("retired property") exceeds the sum of all amounts received for such retired property from insurance proceeds, condemnation proceeds or other consideration for the purchase, exchange or other disposition of the retired property. (See Section 4 of Article I.)

## Issuance of Additional Bonds

Additional bonds secured by the indenture may be issued on the basis of:

- (a) 60% of the lesser of Cost or Fair Value of the amount of Available Permanent Additions, after making the required deductions on account of the amount of net property retirements (See Article V.);
- (b) retired bonds not otherwise used under the indenture (See Article VI.); and
- (c) the deposit of an equal amount of cash with the trustee that may be withdrawn for an Amount of Available Permanent Additions equal to 166 2/3% of the cash or for the retirement of any bonds. (See Article VII.)

Additional bonds which may be issued may vary from any existing bonds as to maturity, interest rate, redemption prices, sinking fund and in certain other respects. (See Article II.)

## Events of Default

A "completed default" occurs with respect to the bonds of any series under the indenture if:

- . we do not pay any principal on any bonds of the applicable series on the due date;
- . we do not pay any interest on any bonds of the applicable series within 30 days of the due date;
- . a court holds that we are bankrupt or enters an order approving a petition seeking our reorganization, unless such judgment or order is vacated within 30 days;
- . a receiver of all or substantially all of our property is appointed, unless such appointment is vacated within 90 days;
- . we file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, consent to the appointment of a receiver or file a petition or answer seeking reorganization or a petition to take advantage of any insolvency act; or
- . we remain in breach of a covenant or warranty, excluding covenants and warranties solely applicable to another series of bonds issued under the indenture, contained in the indenture or any outstanding bond for 60 days after we receive a written notice of default stating we are in breach and requiring remedy of the breach; the notice of which must be sent to us by either the trustee or registered holders of at least 15% of the principal amount of the outstanding bonds.

(See Section 1 of Article XII.)

## Remedies

### Acceleration

If a completed default occurs and is continuing, then the trustee may, and upon the written request of the holders of at least a majority in principal amount of the bonds outstanding under the indenture shall, by notice in writing to us, declare the principal amount of all of the bonds outstanding under the indenture, together with accrued and unpaid interest thereon, to be immediately due and payable. (See Section 1 of Article XII.)

### Rescission of Acceleration

After the declaration of acceleration has been made with respect to all bonds outstanding under the indenture, but before the sale of any mortgaged and pledged property, the declaration of acceleration can be rescinded by written notice to us and the trustee from the holders of a majority in principal amount of the bonds outstanding under the indenture, if:

- (1) we pay or deposit with the trustee a sum sufficient to pay:
  - . all overdue installments of interest on the bonds;
  - . the principal of and any premium on the bonds which have become due, other than by the declaration of acceleration, and overdue interest on these amounts;
  - . interest on overdue installments of interest on the bonds at a rate of six percent (6%) per annum; and
  - . all amounts due to the trustee under the indenture including all reasonable charges, expenses and liabilities of the trustee, and its agents and counsel; and
- (2) all completed defaults with respect to the bonds have been remedied.  
(See Section 1 of Article XII.)

## Remedies with Respect to Mortgaged Property

To the extent permitted by law, upon the occurrence of one or more completed defaults, the trustee, upon demand to us, may take actual possession of and enter, hold, operate and manage all of the mortgaged property. The trustee will receive the rents, income, issues and profits from the mortgaged property and will pay the costs and expenses of taking, holding, operating and managing the mortgaged property, including reasonable compensation to the trustee and its agents and counsel, taxes, assessments and expenses for any repairs, alterations and improvements. The remainder of the amount received by the trustee will be applied as follows:

- . if none of the principal of the bonds has become due, to the payment of the interest in default, with interest on the overdue installments at the rate of six percent (6%) per annum; or
- . if the principal on any of the bonds shall have become due, to the payment of the interest in default, with interest on the overdue installments at the rate of six percent (6%) per annum and then to the payment of the principal of all bonds then due. (See Section 2 of Article XII.)

Upon the occurrence of one or more completed defaults, the trustee may sell the mortgaged property in its entirety or in such parcels as the holders of a majority in principal amount of the bonds outstanding under the indenture request in writing, or absent such request, as the trustee may determine, at public auction in San Diego, California, or such other place as may be required by law or by court order. (See Section 2 of Article XII.)

Upon the occurrence of a default by us in the performance of any of the covenants or conditions of the indenture, the trustee will have the right and power to take appropriate judicial proceedings for the enforcement of its rights and the rights of the bondholders. It will be the trustee's obligation to take action, either by instituting judicial proceedings or by the exercise of its power with respect to entry or sale as it may determine upon being requested to do so by the holders of a majority in principal amount of the bonds outstanding under the indenture that are affected by the default. (See Section 4 of Article XII.)

## Control by Registered Holders; Limitations

The registered holders of a majority in principal amount of the bonds outstanding under the indenture, by written notice to the trustee, will have the right to reasonably direct the method and place of conducting any proceeding for any remedy available to the trustee with respect to all outstanding bonds. (See Section 5 of Article XII.)

In addition, the indenture provides that no holder of bonds will have any right to institute any suit, action or proceeding, at law or in equity, with respect to the indenture or for the appointment of a receiver or for any other remedy under the indenture unless:

- . the holder has previously given the trustee written notice of a continuing default;
- . the holders of at least 25% in aggregate principal amount of the outstanding bonds, or the bonds then outstanding primarily affected by such default, have so requested the trustee in writing and afforded it reasonable opportunity to exercise its powers under the indenture; and
- . the holders have offered the trustee reasonable security satisfactory to the trustee and indemnity against costs and liabilities incurred in complying with the request.

No registered holder will be entitled to institute any action if and to the extent that the action would disturb or prejudice the rights of other registered holders of bonds. However, each registered holder has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right. (See Section 15 of Article XII.)

## Notice of Default

The trustee is required to give the bondholders notice of any default under the indenture to the extent required by the Trust Indenture Act, unless the default has been cured or waived, within 90 days after the occurrence of a default known to the trustee within such period, within 40 days after the trustee learns of a default; provided however that, except in the case of default in the payment of principal or interest of any bonds, or in the payment of any maintenance fund installment, the trustee may withhold notice of default if and so long as the board of directors, the executive committee of the board of directors, or a trust committee of directors or responsible officers of the trustee in good faith determine that the withholding of notice is in the interest of the bondholders. (See Section 8 of Article XV.)

## Consolidation, Merger and Conveyance of Assets as an Entirety, No Financial Covenants

Nothing in the indenture prevents us from consolidating or merging with or into any corporation or any conveyance, transfer or lease of all of our mortgaged and pledged property as an entirety to any corporation, provided that:

- . the terms of the transaction fully preserve and do not impair the lien on the mortgaged and pledged property securing the bonds, or the efficiency or security of the indenture, or any of the rights or powers of the trustee or the holders of the bonds outstanding under the indenture;
- . upon any such consolidation, merger, conveyance or transfer, or upon any such lease where the term of such lease extends beyond the maturity date of any series of bonds, the due and punctual payment of the principal and interest of all the bonds and the performance of all of our covenants and conditions of the indenture shall be assumed by the corporation formed by such consolidation or which acquired the mortgaged property as an entirety, or by the lessee under any such lease; and
- . any lease or transfer shall be subject to immediate termination at any time during the continuance of a completed default.

(See Section 1 Article XIV.)

Except as described under the caption "--Maintenance Fund," the indenture does not contain any financial or other similar restrictive covenants.

## Modification of the Indenture

With our consent, the provisions of the indenture may be changed by the affirmative vote or consent of the holders of 66 2/3% in principal amount of the bonds then outstanding. However, the maturity of any bonds may not be extended, the interest rate may not be reduced and the terms of payment of principal or interest may not be changed without the consent of the holder of the applicable bond. (See Section 6 of Article XVII.)

## Satisfaction and Discharge

The lien on our property securing the bonds will be cancelled and discharged when the bonds have been paid or when we deposit with the trustee sufficient amounts to repay the outstanding principal and interest and irrevocably instruct the trustee to repay the bonds. (See Article XVI.)

## Release Provisions

In the absence of a completed default, we may, free from the lien of the indenture and at any time without any release by the trustee, sell obsolete equipment, materials and supplies for not less than the Fair Value thereof, provided they are replaced by other equipment, materials and supplies of equivalent or greater value, and real property worth less than \$2,000 if the proceeds are deposited with the trustee. In the absence of a completed default, we may also surrender, modify or change any franchise or governmental consent or permit,



so long as we may still conduct our business in the same territory for the same time or until we determine that the conduct of such business is no longer desirable. (See Section 2 of Article XI.)

The indenture also contains provisions for the release of property by the trustee (i) in the absence of a completed default upon a sale or exchange, and (ii) for property taken by eminent domain, provided that the proceeds of any sale, exchange or taking by eminent domain are deposited with the trustee. (See Sections 3 and 6 of Article XI.)

#### Evidence of Compliance

The indenture provides that we will furnish to the trustee treasurer's certificates, engineers' certificates and, in certain cases, independent engineers' certificates and independent accountants' certificates in connection with the authentication of any bonds, the release or release and substitution of property and certain other matters, and opinions of counsel as to the lien of the indenture and certain other matters. (See Articles IV, V, VI, VII, IX and XI.)

#### Resignation and Removal of the Trustee

The trustee may resign at any time by giving at least 30 days written notice to us and by publishing the notice in a daily newspaper of general circulation in San Diego, California and in the Borough of Manhattan, City of New York, New York. The trustee may also be removed by act of the registered holders of a majority in principal amount of the then outstanding bonds. Under certain circumstances, we may appoint a successor trustee, and if the successor trustee accepts, the trustee will be deemed to have resigned. (See Sections 19 and 20 of Article XV.)

## GLOBAL SECURITIES

The debt securities initially will be issued in book-entry form and represented by one or more global notes or global securities (collectively, "global securities"). The global securities will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), New York, New York, as depository, and registered in the name of Cede & Co., the nominee of DTC. Unless and until it is exchanged for individual certificates evidencing debt securities under the limited circumstances described below, a global security may not be transferred except as a whole by the depository to its nominee or by the nominee to the depository, or by the depository or its nominee to a successor depository or to a nominee of the successor depository.

DTC has advised us that it is:

- . a limited-purpose trust company organized under the New York Banking Law;
- . a "banking organization" within the meaning of the New York Banking Law;
- . a member of the Federal Reserve System;
- . a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- . a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among its participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, which eliminates the need for physical movement of securities certificates. "Direct participants" in DTC include securities brokers and dealers, including underwriters, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, which we sometimes refer to as "indirect participants," that clear transactions through or maintain a custodial relationship with a direct participant either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of debt securities within the DTC system must be made by or through direct participants, which will receive a credit for those debt securities on DTC's records. The ownership interest of the actual purchaser of a debt security, which we sometimes refer to as a "beneficial owner," is in turn recorded on the direct and indirect participants' records. Beneficial owners of debt securities will not receive written confirmation from DTC of their purchases. However, beneficial owners are expected to receive written confirmations providing details of their transactions, as well as periodic statements of their holdings, from the direct or indirect participants through which they purchased debt securities. Transfers of ownership interests in global securities are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities except under the limited circumstances described below.

To facilitate subsequent transfers, all global securities deposited with DTC will be registered in the name of DTC's nominee, Cede & Co. The deposit of debt securities with DTC and their registration in the name of Cede & Co. will not change the beneficial ownership of the debt securities. DTC has no knowledge of the actual beneficial owners of the debt securities. DTC's records reflect only the identity of the direct participants to whose accounts the securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

So long as the securities are in book-entry form, you will receive payments and may transfer debt securities only through the facilities of the Depository and its direct and indirect participants. We will maintain an office or agency in the Borough of Manhattan, the City of New York, New York where notices and demands in respect of the securities and the indenture may be delivered to us and where certificated securities may be

surrendered for payment, registration of transfer or exchange. That office or agency will initially be the office of the trustee, which is currently located at 100 Wall Street, Suite 1600, New York, New York 10005.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any legal requirements in effect from time to time.

Redemption notices will be sent to DTC or its nominee. If less than all of the debt securities of a particular series are being redeemed, DTC will determine the amount of the interest of each direct participant in the debt securities of such series to be redeemed in accordance with DTC's procedures.

In any case where a vote may be required with respect to debt securities of a particular series, neither DTC nor Cede & Co. will give consents for or vote the global securities. Under its usual procedures, DTC will mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns the consenting or voting rights of Cede & Co. to those direct participants to whose accounts the debt securities of such series are credited on the record date identified in a listing attached to the omnibus proxy.

So long as debt securities are in book-entry form, we will make payments on those debt securities to the depository or its nominee, as the registered owner of such debt securities, by wire transfer of immediately available funds. If debt securities are issued in definitive certificated form under the limited circumstances described below we will have the option of paying interest by check mailed to the addresses of the persons entitled to payment or by wire transfer to bank accounts in the United States designated in writing to the trustee at least 15 days before the payment date by the persons entitled to payment.

Principal and interest payments on the debt securities will be made to Cede & Co., as nominee of DTC. DTC's practice is to credit direct participants' accounts on the relevant payment date unless DTC has reason to believe that it will not receive payment on the payment date. Payments by direct and indirect participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with debt securities held for the account of customers in bearer form or registered in "street name." Those payments will be the responsibility of participants and not of DTC or us, subject to any legal requirements in effect from time to time. Payment of principal and interest to Cede & Co. is our responsibility, disbursement of payments to direct participants is the responsibility of DTC and disbursement of payments to the beneficial owners is the responsibility of direct and indirect participants.

Except under the limited circumstances described below, purchasers of debt securities will not be entitled to have debt securities registered in their names and will not receive physical delivery of debt securities. Accordingly, each beneficial owner must rely on the procedures of DTC and its participants to exercise any rights under the debt securities and the indenture.

The laws of some jurisdictions may require that some purchasers of debt securities take physical delivery of debt securities in definitive form. Those laws may impair the ability to transfer or pledge beneficial interests in debt securities.

DTC is under no obligation to provide its services as depository for the debt securities and may discontinue providing its services at any time. Neither we nor the trustee will have any responsibility for the performance by DTC or its direct participants or indirect participants under the rules and procedures governing DTC.

As noted above, beneficial owners of a particular series of debt securities generally will not receive certificates representing their ownership interests in those debt securities. However, if:

- . DTC notifies us that it is unwilling or unable to continue as a depository for the global security or securities representing such series of debt securities or if DTC ceases to be a clearing agency registered under the Securities Exchange Act at a time when it is required to be registered and a successor depository is not appointed within 90 days of the notification to us or of our becoming aware of DTC's ceasing to be so registered, as the case may be;

- . we determine, in our sole discretion, not to have the debt securities of such series represented by one or more global securities of such series; or
- . an event of default under the indenture has occurred and is continuing with respect to the debt securities,

we will prepare and deliver certificates for the debt securities of such series in exchange for beneficial interests in the global securities. Any beneficial interest in a global security that is exchangeable under the circumstances described in the preceding sentence will be exchangeable for securities in definitive certificated form registered in the names that the depository directs. It is expected that these directions will be based upon directions received by the depository from its participants with respect to ownership of beneficial interests in the global securities.

We have obtained the information in this section and elsewhere in this prospectus concerning DTC and DTC's book-entry system from sources that are believed to be reliable, but we do not take responsibility for the accuracy of this information.

#### INDEPENDENT ACCOUNTANTS

The consolidated financial statements as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999 incorporated by reference in this prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

#### LEGAL MATTERS

Latham & Watkins, Los Angeles, California, will pass upon certain legal matters relating to the issuance and sale of the debt securities on behalf of us. Gary W. Kyle, Chief Corporate Counsel of Sempra Energy, our parent company, will pass upon the validity of the debt securities and various other legal matters relating to the issuance and sale of the debt securities. Brown & Wood LLP, San Francisco, California will act as counsel for the underwriters.

## PLAN OF DISTRIBUTION

We may sell the debt securities described in this prospectus from time to time in one or more transactions:

- (a) to purchasers directly;
- (b) to underwriters for public offering and sale by them;
- (c) through agents;
- (d) through dealers; or
- (e) through a combination of any of the foregoing methods of sale.

We may distribute the debt securities from time to time in one or more transactions at:

- (a) a fixed price or prices, which may be changed;
- (b) market prices prevailing at the time of sale;
- (c) prices related to such prevailing market prices; or
- (d) negotiated prices.

### Direct Sales

We may sell the debt securities directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the debt securities. A prospectus supplement will describe the terms of any sale of debt securities we are offering hereunder.

### To Underwriters

The prospectus supplement will name any underwriter involved in a sale of debt securities. Underwriters may offer and sell securities at a fixed price or prices, which may be changed, or from time to time at market prices or at negotiated prices. Underwriters may be deemed to have received compensation from us from sales of debt securities in the form of underwriting discounts or commissions and may also receive commissions from purchasers of debt securities for whom they may act as agent.

Underwriters may sell the debt securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions, which may be changed from time to time, from the purchasers for whom they may act as agent.

Unless otherwise provided in a prospectus supplement, the obligations of any underwriters to purchase debt securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the debt securities of such series if they purchase any.

### Through Agents and Dealers

We will name any agent involved in a sale of the debt securities, as well as any commissions payable by us to such agent, in a prospectus supplement. Unless we indicate differently in the prospectus supplement, any such agent will be acting on a reasonable efforts basis for the period of its appointment.

If we utilize a dealer in the sale of the debt securities being offered pursuant to this prospectus, we will sell the debt securities to the dealer, as principal. The dealer may then resell the debt securities to the public at varying prices to be determined by the dealer at the time of resale.

## Delayed Delivery Contracts

If we so specify in the applicable prospectus supplement, we will authorize underwriters, dealers and agents to solicit offers by certain institutions to purchase debt securities pursuant to contracts providing for payment and delivery on future dates. Such contracts will be subject to only those conditions set forth in the applicable prospectus supplement.

The underwriters, dealers and agents will not be responsible for the validity or performance of the contracts. We will set forth in the prospectus supplement relating to the contracts the price to be paid for the debt securities, the commissions payable for solicitation of the contracts and the date in the future for delivery of the securities.

## General Information

Underwriters, dealers and agents participating in a sale of the debt securities may be deemed to be underwriters as defined in the Securities Act, and any discounts and commissions received by them and any profit realized by them on resale of the securities may be deemed to be underwriting discounts and commissions, under the Securities Act. We may have agreements with underwriters, dealers and agents to indemnify them against certain civil liabilities, including liabilities under the Securities Act, and to reimburse them for certain expenses.

Underwriters or agents and their associates may be customers of, engage in transactions with or perform services for us or our affiliates in the ordinary course of business.

Unless we indicate differently in a prospectus supplement, we will not list the debt securities on any securities exchange. The debt securities will be a new issue of securities with no established trading market. Any underwriters that purchase debt securities for public offering and sale may make a market in such debt securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We make no assurance as to the liquidity of or the trading markets for any debt securities.

PART II.

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

Securities and Exchange Commission registration fee.....	\$211,200
Printing expenses.....	150,000
Trustee fees and expenses.....	75,000
Legal fees and expenses.....	100,000
Accounting fees and expenses.....	100,000
Blue Sky fees and expenses.....	50,000
Rating Agency fees.....	250,000
Miscellaneous.....	33,800
	-----
Total.....	\$970,000
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All of the above except the Securities and Exchange Commission registration fee are estimated.

Item 15. Indemnification of Officers and Directors.

Section 317 of the Corporations Code of the State of California permits a corporation to provide indemnification to its directors and officers under certain circumstances. The San Diego Gas & Electric Company Amended and Restated Articles of Incorporation and Restated Bylaws eliminate the liability of directors for monetary damages to the fullest extent permissible under California law and provide that indemnification for liability for monetary damages incurred by directors, officers and other agents of San Diego Gas & Electric Company shall be allowed, subject to certain limitations, in excess of the indemnification otherwise permissible under California law. In addition, San Diego Gas & Electric Company has indemnification agreements with each of its officers and directors that provide for indemnification for monetary damages to the fullest extent permissible under California law. San Diego Gas & Electric Company maintains liability insurance and is also insured against loss for which it may be required or permitted by law to indemnify its directors and officers for their related acts.

The directors and officers of San Diego Gas & Electric Company are covered by insurance policies indemnifying them against certain liabilities, including certain liabilities arising under the Securities Act, which might be incurred by them in such capacities and against which they cannot be indemnified by San Diego Gas & Electric Company.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 16. Exhibits.

Exhibit No. -----	Description -----
*1.1	Form of Underwriting Agreement (Senior Debt Securities).
**1.2	Form of Underwriting Agreement (First Mortgage Bonds).
3.1	Amended and Restated Articles of Incorporation of San Diego Gas & Electric Company (Incorporated by reference from the Form 10-Q for the three months ended March 31, 1994 (Exhibit 3.1)).
3.2	Restated Bylaws of San Diego Gas & Electric Company as of September 1, 1998 (Incorporated by reference from the Form 10-K for the year ended December 31, 1998 (Exhibit 3.01)).

Exhibit No. -----	Description -----
*4.1	Form of Indenture (Senior Debt Securities).
*4.2	Form of Senior Debt Security (included in Exhibit 4.1).
4.3	Mortgage and Deed of Trust dated as of July 1, 1940 (Incorporated by reference from the Registration Statement on Form A-2 File No. 2-4769 filed May 27, 1941 (Exhibit B-3)).
4.4	Second Supplemental Indenture dated as of March 1, 1948 (Incorporated by reference from the Registration Statement on Form S-1 File No. 2-7418 filed March 9, 1948 (Exhibit B-5B)).
**4.5	Ninth Supplemental Indenture dated as of August 1, 1968.
4.6	Tenth Supplemental Indenture dated as of December 1, 1968 (Incorporated by reference from the Registration Statement on Form S-1 File No. 2-36042 filed January 21, 1970 (Exhibit 2-K)).
4.7	Sixteenth Supplemental Indenture dated as of August 28, 1975 (Incorporated by reference from the Registration Statement on Form S-3 File No. 33-34017 filed on March 28, 1990 (Exhibit 4.2)).
4.8	Thirtieth Supplemental Indenture dated as of September 28, 1983 (Incorporated by reference from the Registration Statement on Form S-3 File No. 33-34017 filed on March 28, 1990 (Exhibit 4.3)).
4.9	Form of First Mortgage Bond (included in Exhibit 4.3).
*5.1	Opinion of Gary Kyle, Esq.
*12.1	Statement regarding the computation of ratio of earnings to fixed charges for the years ended December 31, 1999, 1998, 1997, 1996 and 1995 and nine-month periods ended September 30, 1999 and September 30, 2000.
*23.1	Consent of Gary Kyle, Esq. (included in Exhibit 5.1).
*23.2	Independent Auditors' Consent (Deloitte & Touche LLP).
*24.1	Power of Attorney.
*25.1	Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of U.S. Bank Trust National Association, as Trustee under the Indenture.
**25.2	Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939 as amended, of U.S. Bank Trust National Association, as Trustee under the Mortgage and Deed of Trust.

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\* Previously filed.

\*\* Filed herewith.

#### Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any



deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of San Diego Gas & Electric Company's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Securities and Exchange Commission under Section 305(b)(2) of the Securities Act.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, San Diego Gas & Electric Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, and State of California, on the 27th day of February, 2001.

SAN DIEGO GAS & ELECTRIC COMPANY

By /s/ Edwin A. Guiles \_\_\_\_\_

Edwin A. Guiles  
Chairman

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed below by the following persons in the capacities indicated on the 27th day of February, 2001.

Signature  
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Title  
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\*  
\_\_\_\_\_ Debra L. Reed  
Principal Executive,  
Accounting and Financial  
Officer; President and  
Chief Financial Officer

\*  
\_\_\_\_\_ Hyla H. Berteau  
Director

\_\_\_\_\_  
Ann L. Burr  
Director

\*  
\_\_\_\_\_ Herbert L. Carter  
Director

\*  
\_\_\_\_\_ Richard A. Collato  
Director

\*  
\_\_\_\_\_ Edwin A. Guiles  
Director

Signature

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Title

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\*

Director

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Daniel W. Derbes

\*

Director

---

Wilford D. Godbold, Jr.

\*

Director

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William D. Jones

Director

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Ralph R. Ocampo

\*

Director

---

William G. Ouchi

\*

Director

---

Richard J. Stegemeier

\*

Director

---

Thomas C. Stickel

\*

Director

---

Diana L. Walker

/s/ Edwin A. Guiles

\*By: \_\_\_\_\_

Edwin A. Guiles

Attorney-in-Fact

SAN DIEGO GAS & ELECTRIC COMPANY  
REGISTRATION STATEMENT ON FORM S-3

EXHIBIT INDEX

Exhibit No. -----	Description -----
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**4.5	Ninth Supplemental Indenture dated as of August 1, 1968.
4.6	Tenth Supplemental Indenture dated as of December 1, 1968 (Incorporated by reference from the Registration Statement on Form S-7 File No. 2-36042 filed January 21, 1970 (Exhibit 2-K)).
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*12.1	Statement regarding the computation of ratio of earnings to fixed charges for the years ended December 31, 1999, 1998, 1997, 1996 and 1995 and nine-month periods ended September 30, 1999 and September 30, 2000.
*23.1	Consent of Gary Kyle, Esq. (included in Exhibit 5.1).
*23.2	Independent Auditors' Consent (Deloitte & Touche LLP).
*24.1	Power of Attorney.
*25.1	Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939, as amended, of U.S. Bank Trust National Association, as Trustee under the Indenture.
**25.2	Statement of Eligibility on Form T-1 under the Trust Indenture Act of 1939 as amended, of U.S. Bank Trust National Association, as Trustee under the Mortgage and Deed of Trust.

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\* Previously filed.

\*\* Filed herewith.

SAN DIEGO GAS & ELECTRIC COMPANY

FIRST MORTGAGE BONDS

UNDERWRITING AGREEMENT

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To the Underwriters named in  
Schedule I hereof.

San Diego, California

Dear Sirs:

The undersigned, San Diego Gas & Electric Company, a California corporation (the "Company"), hereby confirms its agreement with the Underwriters named in Schedule I hereto, as follows:

1. Underwriters and Representatives. The term "Underwriters" as used

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herein shall mean the one or more persons, firms and corporations named in Schedule I hereto (including the representatives, if any, hereinafter mentioned and any underwriter substituted in accordance with the provisions of paragraph 7 hereof), and the term "Representatives" as used herein shall mean the representative or representatives, if any, designated in Schedule II hereto, who by signing this agreement represents or represent that each has been authorized by the Underwriters to execute this agreement on their behalf and to act for them in the manner herein provided. If there are no such representatives, the term "Representatives" as used herein shall refer to the Underwriters. All obligations of the Underwriters hereunder are several and not joint.

2. Description of Bonds. The Company proposes to issue and sell its

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First Mortgage Bonds in the principal amount and with such series designation and other terms as are set forth in Schedule II hereto (the "Bonds"), to be issued under and secured by the Mortgage and Deed of Trust, dated as of July 1, 1940, as amended and supplemented to date (the "Indenture"), between the Company and US Bank Trust National Association, as successor Trustee.

3. Representations and Warranties of the Company. The Company represents

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and warrants to the Underwriters and each person, if any, who controls any Underwriter (other than a partner of any Underwriter firm or any person controlling any Underwriter who may be an officer or director of the Company) that:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act of 1933, as amended (the "Act"), has filed with the Securities and Exchange Commission (the "Commission") one or more registration statements (as specified in Schedule II hereto) on such Form covering the registration of the Bonds under the Act and the qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "Indenture Act"), a reasonable number of

copies of which have been delivered to the Representatives, and each such registration statement has been declared effective by the Commission. Each such registration statement, as amended at the date hereof, meets the requirements set forth in Rule 415(a)(1)(x) under the Act and complies in all other material respects with such Rule. The Company has filed or proposes to file with the Commission a prospectus supplement specifically relating to the Bonds, a reasonable number of copies of which have been or will be delivered to the Representatives. Each registration statement, as amended at the date hereof, including the prospectus included therein, all documents incorporated by reference therein and all exhibits thereto, but excluding the Form T-1 statement of the Trustee under the Indenture, is herein referred to as the "Registration Statement." The prospectus, as supplemented to specifically refer to the final terms and conditions of the Bonds, in the form first filed with the Commission pursuant to Rule 424 under the Act, including all documents incorporated by reference therein, is herein referred to as the "Prospectus," and any preliminary form of the Prospectus is herein referred to as a "Preliminary Prospectus."

(b) The Commission has not issued an order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus; the Registration Statement as of its effective date (including the date or dates any amendments thereto became effective), and each Preliminary Prospectus, as of the issue date thereof, complied in all material respects with the Act and the Indenture Act and the respective rules, regulations and instructions of the Commission thereunder and neither the Registration Statement, as of the aforesaid effective date, nor any Preliminary Prospectus, as of its issue date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and as of the date hereof and at all times subsequent hereto up to the Closing Date as hereinafter defined, the Registration Statement and the Prospectus, and any amendments or supplements thereto, comply and will comply in all material respects with the provisions of the Act and the Indenture Act and the respective rules, regulations and instructions of the Commission thereunder, and neither the Registration Statement nor the Prospectus, nor any amendments or supplements thereto, contain or will contain any untrue statement of a material fact or omit or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) The documents incorporated by reference in the Registration Statement, in each Preliminary Prospectus and in the Prospectus, when they were filed with the Commission, complied in all material respects with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules, regulations and instructions of the Commission thereunder, and any documents so filed and incorporated by reference subsequent to the date hereof

will, when they are filed with the Commission, comply in all material respects with the requirements of the Exchange Act, and the rules, regulations and instructions of the Commission thereunder, and none of such documents includes or will include any untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Deloitte & Touche, who have examined the consolidated financial statements included or incorporated by reference in the Registration Statement, in each Preliminary Prospectus and in the Prospectus, and have issued their opinion thereon, are independent public accountants within the meaning of the Act and the rules and regulations of the Commission thereunder.

(e) Subsequent to the respective dates as of which information is given in the Registration Statement or in the Prospectus, and other than as disclosed therein, (i) neither the Company nor any of its subsidiaries has, and, on the Closing Date (as defined in paragraph 6 hereof), neither the Company nor any of its subsidiaries will have, incurred, except in the ordinary course of business, any liabilities or obligations, contingent or otherwise, which are material in the aggregate to the Company and its subsidiaries, taken as a whole, and (ii) there has been, and on the Closing Date there will have been, no material adverse change in the condition or results of operations, financial or otherwise, of the Company and its subsidiaries, taken as a whole.

(f) Except as set forth in the Registration Statement or in the Prospectus there are no material legal proceedings to which the Company or any subsidiary is a party or of which property of the Company or any subsidiary is subject and, to the best of the Company's knowledge, no such proceedings are contemplated by governmental authorities or others.

(g) This agreement has been duly authorized, executed and delivered on behalf of the Company and assuming that it has been duly authorized, executed and delivered by or on behalf of the Underwriters, is a valid and binding agreement of the Company enforceable in accordance with its terms; the Company has or will have, prior to the Closing Date, full corporate power and lawful authority to issue and sell the Bonds on the terms and conditions herein contemplated and such issue and sale shall have been duly authorized by such orders of the Commission as are required under the laws administered by it and by order of the Public Utilities Commission of the State of California, and (subject to compliance with applicable blue sky laws of states and other jurisdictions) no other approval of any public body is or will, on the Closing Date, be necessary in connection with the issue and sale of the Bonds to the Underwriters.



(h) The consummation of the transactions herein contemplated and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, the Company's Articles of Incorporation, its by-laws, or any indenture, mortgage, deed of trust or other agreement or instrument to which the Company is a party or by which it is bound.

Notwithstanding anything herein contained, the Company makes no warranties (i) as to any statement in or omission from the Form T-1 statement signed by the Trustee under Indenture or (ii) to any Underwriter as to untrue statements, or omissions from, the Registration Statement, any Preliminary Prospectus or the Prospectus made solely in reliance upon information furnished herein or in writing to the Company by any Underwriter, directly or through the Representatives, for use in the Registration Statement, any Preliminary Prospectus or the Prospectus.

4. Purchase and Sale of Bonds. On the basis of the representations and -----  
warranties herein contained and subject to the terms and conditions of this agreement, the Company agrees to issue and sell to each of the Underwriters, severally and not jointly, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, the principal amount of the Bonds set forth after the name of such Underwriter in Schedule I hereto, at the purchase price set forth in Schedule II hereto.

5. Public Offering. The Underwriters agree that as soon as practicable, -----  
in the judgment of the Representative, they will make a bona fide public offering of their respective portions of the Bonds, at the initial public offering price set forth in the Prospectus, with such concessions and discounts to dealers as may be set forth therein. It is understood that after the initial such offering of the Bonds the Underwriters reserve the right to vary the offering price and any concessions or discounts to dealers and to withdraw, cancel or modify such offering without notice.

6. Times and Places of Closing. The Bonds in the form of one or more -----  
original certificates shall be delivered at the office of the Company, 101 Ash Street, San Diego, California, 92101 on the date and the time specified in Schedule II hereto, or on such other date and at such other time and place as the Representatives and the Company may agree upon in writing or on such other date and at such other time as shall be fixed pursuant to paragraph 7 hereof (such date and time being herein called the "Closing Date"), to or on the order of the Representatives, but for the respective accounts of the Underwriters purchasing the same, against payment for the account of the Company of the aggregate purchase price in Federal funds, or other funds immediately available in San Diego, California, by certified or official bank check or checks payable upon the order of the Company or by bank wire to an account designated by the Company. Additional certificated for the Bonds shall be available on the Closing Date for delivery in New

York, New York, to or on the order of the Representatives against cancellation of the original certificate or certificates. The Company agrees to have such additional certificates available for inspection, checking and packaging by the Representatives in New York, New York, not later than 10:00 A.M., New York Time, one full business day prior to the Closing Date. Such certificates shall be registered in such names and in such denominations as the Representatives may request not less than five days in advance of the Closing Date. The Bonds shall be transferable without charge by the Company other than to cover taxes or other governmental charges.

It is understood that the Representatives, individually and not as representatives of the Underwriters, may (but shall not be obligated to) make payment to the Company for the Bonds to be purchased by any Underwriter or Underwriters whose check or checks shall not have been received by the Representatives at the time of closing as aforesaid, for the account of such Underwriter or Underwriters. Any such payment by the Representatives shall not relieve such Underwriter or Underwriters from any of its or their obligations hereunder.

7. Partial Default by Underwriters. If one or more Underwriters shall

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default in its or their obligation (otherwise than for some reason sufficient to justify the cancellation or termination of this agreement) to purchase and pay for the Bonds which it or they have agreed to purchase and pay for under this agreement, and if the aggregate principal amount of such Bonds:

(a) does not exceed 10% of the aggregate principal amount of the Bonds, the non-defaulting Underwriters shall have the right and become obligated severally to take up and pay for (in addition to the amount of Bonds set opposite their respective names in Schedule I attached hereto) the Bonds agreed to be purchased by all such defaulting Underwriters as nearly as possible in the respective proportions which the amounts set opposite the names of such non-defaulting Underwriters in Schedule I attached hereto bear to the aggregate of the amounts so set opposite the names of all such non-defaulting Underwriters, provided, however, that in no event shall any non-defaulting Underwriter be obligated under this paragraph 7(a) to take up and pay for more than one-ninth of the amount of Bonds set opposite its name in Schedule I hereto. The Representatives, for the accounts of the several non-defaulting Underwriters, may take up and pay for all or any part of such additional amount of Bonds to be purchased by each such Underwriter under this paragraph 7(a), or the Representatives may find one or more substitute underwriters to purchase such Bonds or one or more of the remaining Underwriters may agree to purchase such Bonds in such proportions as may be approved by the Representatives, in each case upon the terms herein set forth. In any such event, the Representatives may postpone the time for delivery of the Bonds to a later time on the day of the Closing Date or on the next following business day; or

(b) exceeds 10% of the aggregate principal amount of the Bonds, the Representatives, at any time within 24 hours following the Closing Date, may arrange for a person or persons satisfactory to the Company (who may be or may include one or more of the non-defaulting Underwriters) to take up and pay for, in such proportions as the Representatives may determine, the principal amount of the Bonds agreed to be purchased by all such defaulting Underwriters and, if such arrangements are so made, the time for delivery of the Bonds may be postponed by the Representatives to a later time on said date or until any time prior to 10:00 A.M., California Time, and the fourth succeeding business day and, in such event, the Company agrees to file promptly with the Commission any amendment to the Registration Statement or supplement to the Prospectus as may, in the opinion of Underwriters' counsel ("Counsel for the Underwriters"), be required, and the delivery of the Bonds shall be subject to the condition that such amendment shall have become effective or such supplement shall have been filed. If the Bonds which any defaulting Underwriter or Underwriters agreed to purchase and pay for shall not be purchased by non-defaulting or substituted Underwriters as above provided, such default shall not relieve any Underwriter from its obligation to purchase and pay for the principal amount of Bonds set opposite its name in Schedule I hereto, and the Company in such event may elect within a further 24-hour period either (i) to terminate this agreement without liability on the part of the Company or any non-defaulting Underwriter, or (ii) to proceed with the sale and delivery hereunder of less than all of the Bonds. If the Company shall so elect to proceed, it shall notify the Representatives within such further 24-hour period and may postpone the time for delivery of the Bonds to a later time on the day of the Closing Date or may postpone the Closing Date to any day within the next seven days after the day originally specified for the Closing Date.

Any action under this paragraph 7 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this agreement.

8. Certain Covenants of the Company. The Company agrees:

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(a) To file or mail for filing with the Commission in the manner prescribed by Rule 424 under the Act copies of the Prospectus in the form approved by the Representatives and to make no further amendments or supplements to the Registration Statement or Prospectus after the date hereof and prior to the Closing Date without the prior consent of the Representatives which will not unreasonably be withheld:

(b) To use its best efforts to qualify the Bonds and to assist in the qualification of the Bonds by or on behalf of the Representatives for offer and sale under the blue sky laws of such states and other jurisdictions as the Representatives may designate

and to reimburse the Representatives for fees and out-of-pocket expenses paid by them or on their behalf to so qualify the Bonds for offer and sale; provided that the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction or pay or reimburse the Representatives for such fees and expenses in an amount aggregating in excess of \$12,000; and to prepare and file, from time to time, such statements and reports as are or may be required of it as the issuer of the Bonds to continue such qualifications under such blue sky laws in effect for so long a period as the Representatives may reasonably request;

(c) To furnish to each Representative one signed copy of the Registration Statement and of all amendments thereto (including all exhibits except those incorporated by reference), one signed copy (which may be included in the Registration Statement or amendments thereto) of each consent and certificate or opinion of independent public accountants and of each other person whose profession gives authority to statements made by him and who is named in the Registration Statement as having prepared, certified or reviewed any part thereof, and to furnish the Representatives sufficient unsigned copies of the foregoing (other than exhibits) for distribution of one such copy to itself and each of the other Underwriters;

(d) To deliver to the Underwriters without charge, as soon as practicable after the date hereof, and from time to time for period of nine months thereafter, as many copies of the Prospectus (and any amendments or supplements thereto) as the respective Underwriters or the Representatives may reasonably request for the purposes contemplated by the Act;

(e) To advise the Representatives promptly (confirming such advice in writing) of any official request made by the Commission for amendments or supplements to the Registration Statement or Prospectus or for additional information with respect thereto and of official notice of institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement, or any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, and if any such order should be entered by the Commission, to make every reasonable effort to obtain the lifting or removal thereof as soon as possible;

(f) To advise the Representative promptly of any order or action of any court or the Commission and of any order or communication of a public authority addressed to the Company suspending, or threatening to suspend, the qualification of any of the Bonds for sale and, in the event of any order preventing the offering or sale of any of the Bonds promptly to use its best efforts to obtain the withdrawal of such order;

(g) To apply an amount equal to the net proceeds from the sale of the Bonds for the purposes set forth in the Prospectus;

(h) As long as any of the Bonds shall remain outstanding, to furnish the Representative and each of the other Underwriters on its request, as soon as practicable, (i) copies of any published reports of the Company, including the annual report and quarterly reports of the Company to its shareholders, and (ii) copies of earnings statements of the Company after the end of each of the first three quarters of the fiscal year;

(i) As soon as practicable, to make generally available to its security holders and deliver to each of the Underwriters, on request, a copy of an earning statement covering a period of at least twelve months beginning after the effective date of the Registration Statement (as that term is defined in Rule 158 under the Act), which earning statement shall be in such form and of such substance as may be necessary to condition the right of recovery as provided in the last paragraph of Section 11(a) of the Act;

(j) So long as the Act requires the use of a prospectus in connection with the sale of the Bonds, but not longer than nine months after the date hereof, if any event shall have occurred as a result of which the Prospectus, as then amended or supplemented, would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements, in light of the circumstances under which they are made, not misleading, the Company will notify the Representatives and, upon the request of the Representatives (if made within such period), will forthwith prepare and furnish to each Underwriter and to any dealer in securities, a supplement to the Prospectus or an amended prospectus which will correct such statement or omission. After nine months from the date hereof, any prospectus or supplement thereto or amended prospectus required by any Underwriter will be supplied by the company at the request of such Underwriter but only at the expense of such Underwriter;

(k) To pay all expenses, fees and taxes in connection with (i) the preparation and filing of the Registration Statement and the printing of the copies of the Registration Statement, each Preliminary Prospectus, the Prospectus and this agreement (including any attached and related agreements) required by the Underwriters, (ii) the issue and delivery of the Bonds to the Underwriters, (iii) the qualification of the Bonds under the blue sky laws as aforesaid (subject to the limits on such expenses and fees specified in subparagraph (b) of this paragraph 8) and all registrations and listings of the Bonds, and (iv) the furnishing of the opinions of counsel to the Company, certificates and letters of the independent public accountants and the certificates referred to in paragraph 9 hereof;

(l) To pay the fees and expenses of Counsel for the Underwriters and to reimburse the Underwriters for their reasonable out-of-pocket expenses incurred in contemplation of the performance of this agreement in the event that the Underwriters hereunder do not take up and pay for any of the Bonds for a reason expressly permitted by the terms of this agreement, the Underwriters agreeing to pay such fees and expenses in any other event, except as herein otherwise specifically provided;

(m) Between the date hereof and the Closing Date, not to offer or sell any securities under the Indenture, other than pursuant to the terms of this agreement; and

(n) That the Board of Directors of the Company will adopt prior to the Closing Date resolutions in form and contents satisfactory to Counsel for the Underwriters creating the terms and authorizing the issuance of the Bonds pursuant to the Indenture.

9. Conditions of Underwriters' Obligations. The several obligations of

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the Underwriters hereunder shall be subject to the condition that all representations, warranties, and other statements of the Company herein, or made pursuant to this agreement, are true and correct, except for immaterial details, the condition that the Company performs all its obligations hereunder, except for immaterial delays, and the following additional conditions precedent;

(a) The Registration Statement shall at the Closing Date remain in effect and no stop order suspending the effectiveness of the Registration Statement or other order preventing or suspending the use of the Prospectus shall have been issued and no proceedings for such purposes shall be pending or threatened by the Commission, and all requests for additional information on the part of the Commission shall have been complied with by the Company to the satisfaction of the Commission and Counsel for the Underwriters; and no legal action shall have been commenced seeking to enjoin the issuance or sale of any of the Bonds or otherwise challenging the legality or enforceability of any of the Bonds or the transactions contemplated hereby.

(b) Prior to the Closing Date, (i) the Board of Directors of the Company shall have adopted resolutions in form and content satisfactory to Counsel for the Underwriters creating the terms and authorizing the issuance of the Bonds pursuant to the Indenture, (ii) the Public Utilities Commission of the State of California and the Commission shall have entered such orders as are required to permit the issue and sale of the Bonds on the terms set forth in the Prospectus and in this agreement, (iii) any other public bodies having jurisdiction over the issue and sale of the Bonds to the Underwriters shall have entered such orders as may be necessary in this connection, and (iv) all such resolutions and orders shall be

in full force and effect, and all conditions precedent contained therein shall have been fully complied with.

(c) The Representatives shall have been received from Counsel for the Underwriters an opinion satisfactory to the Representatives with respect to the validity of the Indenture and the Bonds and the sufficiency of all corporate proceedings relating thereto and with respect to such other legal matters relating to this agreement, the Registration Statement and the Prospectus as the Representatives may reasonably require.

(d) The Company shall have furnished to Counsel for the Underwriters such documents and information as the Representatives or Counsel for the Underwriters may reasonably request for the purpose of enabling them to pass upon the legal matters referred to above.

(e) The Company shall have furnished to the Representatives the opinions, dated as of the Closing Date, of the General Counsel of the Company and of outside Counsel for the Company, to the effect that;

(i) the Company is a corporation duly incorporated, validly existing, in good standing and authorized to exercise its corporate powers, rights and privileges under the laws of the State of California, and has the authorized capitalization as set forth in the Registration Statement and the Prospectus;

(ii) each of the active subsidiaries owned directly by the Company is a corporation duly incorporated, validly existing and authorized to exercise its corporate powers, rights and privileges under the laws of the jurisdiction in which it was incorporated, and is duly qualified as a foreign corporation in all other jurisdictions wherein the character of the properties owned or the nature of the business transacted makes such qualification necessary;

(iii) the statements of law and legal conclusions contained in the Registration Statement and the Prospectus, and any supplement or amendment or amendment thereto, have been reviewed by such counsel and are accurate and fairly present the information required to be presented with respect thereto; and the statements in the Prospectus under "The Bonds" and in any supplement or amendment to the Prospectus specifically relating to the Bonds, insofar as such statements constitute as summary of the Indenture and the Bonds, fairly present the information called for with respect to such documents;

(iv) subject to the lien of the Indenture, the Company has good title to all properties possessed by it, free and clear of all liens and encumbrances, except as permitted by the Indenture, tax liens and other matters affecting some of the properties which in the opinion of such counsel do not affect the Company's title to or right to use said properties in conduct of its business; and all of said properties are covered by and subject to the Indenture, except as set forth in the Registration Statement and the Prospectus and as provided in or permitted by the Indenture; and the statements made with respect to the lien of the Indenture in the Registration Statement and the Prospectus are accurate and fairly present the information required to be presented with respect thereto;

(v) the Public Utilities Commission of the State of California and the Commission have entered such orders as are required to permit the issue and sale of the Bonds on the terms set forth in the Registration Statement, the Prospectus and this agreement; and (subject to compliance with applicable blue sky laws of states and other jurisdictions) no other approval or authorization of any public body is necessary in connection with the issue and sale of the Bonds to the Underwriters;

(vi) the Indenture has been duly authorized, executed and delivered by the Company; the Indenture is a valid and binding instrument of the Company enforceable in accordance with its terms and, although subject to possible nonenforceability as to certain specific remedies set forth therein, is adequately enforceable, except as such opinion as to validity or enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to the enforcement of creditors' rights or by the application of general equitable principles when equitable remedies are sought, and with respect to the Company's interest in atomic energy facilities, such opinion as to enforceability may be limited by the provisions of the Atomic Energy Act of 1954, as amended, and the regulations thereunder; the Indenture has been duly recorded in California where required; and all requisite steps have been taken to perfect the security interest of the Indenture in such of the personal property of the Company specified in the Indenture and the Indenture constitutes a lien of record on the property of the Company of the nature and to the extent set forth in the Registration Statement and the Prospectus;

(vii) the Bonds have been duly authorized, executed and authenticated, issued, sold and delivered and are valid and binding instruments of the Company enforceable in accordance with their terms, except to the extent limited under paragraph (vi) above;



(viii) the Registration Statement and the Prospectus (other than the financial statements included therein, as to which no opinion need be rendered), and any supplement or amendment thereto, as of their respective effective or issue dates and as of the Closing Date, complied and comply as to form in all material respects with the provisions of the Act and the Indenture Act and the respective rules, regulations and instructions of the Commission thereunder and, as of such respective dates, such counsel does not know of any untrue statement of a material fact in the Registration Statement, the Prospectus, or such supplement or amendment, or of the omission to state in the Registration Statement or the Prospectus, or such supplement or amendment, a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(ix) this agreement has been duly authorized, executed and delivered on behalf of the Company and assuming that it has been duly authorized, executed and delivered by or on behalf of the Underwriters, is a valid and binding agreement of the Company enforceable in accordance with its terms except that rights to indemnity hereunder may be limited under applicable laws;

(x) the performance by the Company of this agreement will not contravene any provision of applicable law (subject to compliance with applicable blue sky laws of states and other jurisdictions) or the Articles of Incorporation or by-laws of the Company or to the knowledge of such counsel, any agreement or other instrument binding upon the Company;

(xi) subject to compliance with applicable blue sky laws of states and other jurisdictions and Section 5(b) of the Act, the Bonds may be marketed in interstate commerce on the terms set forth in the Registration Statement and Prospectus and any supplement or amendment thereto; and

(xii) the Indenture has been duly qualified under the Indenture Act.

In rendering such opinion, the General Counsel may rely upon the opinion of outside counsel to the Company as to all matters pertaining to title to property and the lien of the Indenture.

(f) The Company shall have furnished to the Representatives a certificate dated as of the Closing Date of an officer of the Company satisfactory to the Representatives that as of the Closing Date he does not know of any proceeding instituted or threatened of a character required to be disclosed in the Registration Statement or in the Prospectus which is not disclosed therein; that he does not know of any contracts which are required to be referred to in

the Registration Statement or in the Prospectus or filed as exhibits to the Registration Statement which are not referred to therein or so filed exhibits; that to the best of his knowledge since the respective dates as of which information is given in the Registration Statement or in the Prospectus except to the extent disclosed therein; that neither the Company nor any of its subsidiaries has incurred, except in the ordinary course of business, any liabilities or obligations, contingent or otherwise, which are material in the aggregate to the Company and its subsidiaries taken as a whole, and there has been no material adverse change in the condition or results or operations, financial or otherwise, of the Company and its subsidiaries taken as a whole; that there has been no document required to be filed under the Exchange Act and the rules and regulations thereunder and which upon such filing would be deemed to be incorporated by reference in the Registration Statement or in the Prospectus, which has not been so filed; and that no stop order suspending the effectiveness of the Registration Statement or other order preventing or suspending the use of the Prospectus has been issued and no proceedings for such purposes are pending before or to the knowledge of the Company threatened by the Company.

(g) The Representatives shall have received from Deloitte & Touche a letter, dated and delivered to the Representatives on the Closing Date, confirming that they are independent accountants with respect to the Company within the meaning of the Act and the applicable published rules and regulations of the Commission thereunder and stating in effect that;

(i) in their opinion, the consolidated financial statements and schedules examined by them and incorporated by reference in the Registration Statement and the Prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations of the Commission thereunder;

(ii) on the basis of a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that;

(A) if unaudited condensed consolidated financial statements are included or incorporated by reference in the Registration Statement and the Prospectus the unaudited condensed consolidated financial statements included or incorporated by reference in the Registration Statement and the Prospectus do not comply in form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the

related published rules and regulations of the Commission thereunder or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements included or incorporated by reference in the Registration Statement and the Prospectus;

(B) if the latest available unaudited consolidated financial statements are not included or incorporated by reference in the Registration Statement and the Prospectus, there were any decreases during the period of such latest available unaudited consolidated financial statements as compared with the corresponding period in the preceding year in operating revenues, net income, or in the total or per share amounts of earnings applicable to common shares or there was any decrease in common stock equity during such period, other than as occasioned by the declaration of dividends as compared with the corresponding amount shown in the most recent balance sheet included or incorporated by reference in the Registration Statement and the Prospectus;

(C) at a specified date not more than five days prior to the Closing Date there was any decrease in common stock equity, other than as occasioned by the declaration of dividends, as compared with the amount shown in the most recent balance sheet included or incorporated by reference in the Registration Statement and the Prospectus or there were any significant events from the date of the latest available unaudited consolidated financial statements through a specified date not more than five days prior to the Closing Date that would decrease operating revenues, net income, earnings available for common stock or earnings per common share in the month in which such specified date occurs and the prior month not included in the latest available unaudited consolidated financial statements, as compared to the same period in the prior year; and

(iii) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information included or incorporated by reference in the Registration Statement and the Prospectus (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such

general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

(h) The Company shall have furnished to the Representatives such other affidavits and certificates as to the accuracy and completeness of any statement in the Registration Statement or in the Prospectus as of the Closing Date as the Representatives may reasonably request, upon timely notice.

All opinions, letters and certificates above mentioned shall be deemed to be in compliance with this paragraph 9 only if they shall be in form and substance satisfactory to Counsel for the Underwriters; and there shall be delivered to the Representatives sufficient copies of the above mentioned legal opinions and letters for each of the Underwriters.

In case any of the conditions specified above in this paragraph 9 shall not have been fulfilled, this agreement may be terminated by the Representatives upon notice thereof to the Company. Any such termination shall be without liability of any party to any other party except as provided in subparagraphs (b), (k) and (l) of paragraph 8 hereof.

10. Conditions of Company's Obligations. The obligations of the Company to  
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sell and deliver the Bonds are subject to the following Conditions:

(a) At the Closing Date, the order of the Public Utilities Commission of the State of California and all requisite orders of the Commission permitting the issue and sale of the Bonds shall have been entered in, none of such orders shall contain any conditions deemed by the Company to be unduly burdensome of it (it being understood that any such order in effect as of the date hereof contains no such burdensome conditions), and no stop order suspending the effectiveness of the Registration Statement or other orders preventing or suspending the use of the Prospectus shall be in effect and no proceedings therefor shall be pending before or threatened by the Commission; and

(b) Concurrently with the delivery of the Bonds to the Representatives at the Closing Date, the Company shall receive the full purchase price of the Bonds so delivered.

In case either of the conditions specified above in this paragraph 10 shall not have been fulfilled, this agreement may be terminated by the Company, upon notice thereof to the Representatives. Any such termination shall be without liability of any party to any other party except as provided in subparagraphs (b), (k), and (l) of paragraph 8 hereof.

11. Indemnification and Contribution.

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(a) The Company shall indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter (other than a director or officer of the Company) within the meaning of the Act or the Exchange Act against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or any such controlling person may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) the failure of the Company to obtain any requisite order, approval or authorization of any public body in connection with the issue and sale of the Bonds to the Underwriters, or (ii) any untrue statement or alleged untrue statement of any material fact included in the Registration Statement, or in any Preliminary Prospectus or in the Prospectus, or in any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; and will reimburse each Underwriter and each such controlling person for any legal or other expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or action (x) arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, or in any Preliminary Prospectus or in the Prospectus, or in any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter, directly or through the Representatives specifically for use in the preparation thereof, or (y) is caused by any statement in or omission from the Form T-1 statement signed by the Trustee under the Indenture, or (z) arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus but eliminated or remedied in the Prospectus, and the Bonds in respect of which such loss, claim, damage, liability or action is asserted shall have been delivered after sale without being accompanied or preceded by a Prospectus (excluding documents incorporated by reference) at a time when such delivery of such Prospectus is required by the Act. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter will indemnify and hold harmless the Company, each director and officer of the Company and each person, if any, who controls the Company within the meaning of the Act or the Exchange Act against any losses, claims, damages or liabilities to which the Company or any such person may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are

based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, or in any Preliminary Prospectus or in the Prospectus, or in any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement or in any Preliminary Prospectus or in the Prospectus, or in any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Underwriter, directly or through the Representatives, specifically for use in preparation thereof, and will reimburse the Company and each person so indemnified for any legal or other expenses reasonably incurred by the Company or such person in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under subparagraph (a) or (b) or this paragraph II of notice of the commencement of any action such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under such subparagraph, notify the indemnifying party in writing of the commencement thereof, but the failure so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under such subparagraph. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under such subparagraph for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. The indemnified party shall have the right to employ its counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of counsel by such indemnified party has been authorized by the indemnifying party, (ii) the indemnified party shall have reasonably concluded that there may be a conflict of interest between the indemnifying party and the indemnified party in the conduct of the defense of such action (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party) or (iii) the indemnifying party shall not in fact have employed counsel to assume the defense of such action.

Except when the presence of conflicts of interests otherwise require, it is understood that the indemnifying party shall not be liable for the fees and expenses of more than one separate firm for all such indemnified parties. An indemnifying party shall not be liable for any settlement of any action or claim affected without its consent.

(d) If recovery is not available under the foregoing indemnification provisions of this paragraph 11, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution for liabilities and expenses, except to the extent that contribution is not permitted under Section II(f) of the Act. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the relative benefits received by each party from the offering of the Bonds (taking into account the portion of the proceeds of the offering realized by each), the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate under the circumstances. The Company and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the Underwriters were treated as one entity for such purpose). No Underwriter or person controlling such Underwriter shall be obligated to make contribution hereunder which in the aggregate exceeds the total public offering price of the Bonds purchased by such Underwriter under this agreement, less the aggregate amount of any damages which such Underwriter and its controlling persons have otherwise been required to pay in respect of the same claim or any substantially similar claim. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

12. Survival of Warranties, etc. The indemnity and contribution

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agreements contained in paragraph II hereof and the representations, warranties and other statements of the Company in this agreement, or made pursuant to this agreement, shall remain in full force and effect regardless of (i) any termination of this agreement, (ii) any investigation made by or on behalf of any Underwriter or controlling person or by or on behalf of the Company, or any of the officers, directors or controlling persons and (iii) acceptance of and payment for the Bonds hereunder.

13. Effective Date of this Agreement, Termination. This agreement shall

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become effective upon release by the Representatives of the Bonds for sale to the public. For purposes of this paragraph 13 the Bonds shall be deemed to have been released for sale to the public upon release by the Representatives of a newspaper advertisement relating to the Bonds or upon release by the Representatives of telegrams, or other equivalent standard form of telecommunication, offering the Bonds for

sale to securities dealers, whichever shall first occur. Until such time this agreement may be terminated by the Company by notice to the Representatives, or by the Representatives by notice to the Company.

In addition to the foregoing provisions and to the applicable provisions contained in paragraphs 7, 9, and 10 hereof, this agreement may also be terminated at any time prior to the Closing Date by the Representatives if at or prior to the Closing Date (i) trading on the New York or American Stock Exchanges shall have been suspended by the Commission or other governmental authority or by either such Exchange (other than in connection with program trading), or a banking moratorium shall have been declared by New York or United States governmental authorities; (ii) there shall have been an outbreak or escalation of war or other major hostilities involving the United States which in the judgment of the Representatives makes it impracticable or inadvisable to offer or sell the Bonds; (iii) the Company shall have sustained a material and substantial loss by fire, flood, accident, earthquake or other calamity, whether or not said loss shall have been insured; (iv) any change (or announced intention to consider any change) lowering the rating for the long term debt securities of the Company by either Moody's Investment Services, Inc., or Standard & Poor's Corp., or (v) there shall have occurred any other condition of termination set forth in Schedule II hereto. If the Representatives elect to terminate this agreement, as provided in this paragraph 13, the Company and each other Underwriter shall be notified promptly by telephone, telegraph or other equivalent standard form telecommunication confirmed in writing.

If this agreement shall be terminated for any reason permitted under this agreement, or if the sale of the Bonds to the Underwriters as herein contemplated shall not be carried out because the Company is not able to comply with the terms hereof, the Company shall not be under any obligation under this agreement and shall not be liable to any Underwriter or to any member of any selling group for the loss of anticipated profits from the transactions contemplated in this agreement (except that the Company shall remain liable to the extent provided in subparagraphs (b), (k) and (l) of paragraph 8 hereof) and the Underwriters, other than a defaulting Underwriter, if any, shall be under no liability to the Company nor be under any liability to one another under this agreement.

14. Notices. All statements, requests, notices and agreements hereunder  
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shall be in writing, or by telegram or other equivalent standard form of telecommunication, and if to the Underwriters or the Representatives, shall be sufficient in all respects if delivered or sent to the Representatives at the address specified in Schedule II hereto, and, if to the Company, attention Corporate Secretary, at 8326 Century Park Court, San Diego, California 92123



15. Parties in Interest. This agreement shall inure solely to the benefit

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of the Company and the Underwriters and, to the extent provided in paragraph 11 hereof, to any officer or director of the Company or to any person who controls the Company or any Underwriter, and their respective successors. No other person, partnership, association or corporation shall acquire or have any right under or by virtue of this agreement. The term "successors" shall not include any purchaser of any of the Bonds from any Underwriter merely because of such purchase.

16. Applicable Law. This agreement shall be governed by and construed in

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accordance with the laws of the State of California.

17. Counterpart Originals. This Agreement may be executed in two or more

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counterparts (and any party hereto may execute any counterpart), each of which, when executed and delivered shall be deemed an original, and all of the counterparts when taken together shall be deemed to be one and the same instrument.

Please confirm that the foregoing correctly sets forth the agreement between us by signing in the space provided below for that purpose. Whereupon this letter shall constitute a binding agreement between the Company and the Underwriters in accordance with its terms.

Very truly yours,

SAN DIEGO GAS & ELECTRIC COMPANY

By

-----

Name: \_\_\_\_\_

Its:

-----

Confirmed as of the date of this agreement specified in Schedule II hereto:

\_\_\_\_\_

\_\_\_\_\_

SCHEDULE I

Underwriter -----	Principal Amount -----
-----	\$ _____
-----	
-----	
Total	\$ _____

SCHEDULE II

Description of Bonds and Other Terms

Designation: First Mortgage Bonds, Series \_\_ due \_\_\_\_\_

Principal Amount: \$

Maturity Date:

Interest Rate:

Interest Payment Dates:

Purchase Price:

Other Terms:

Settlement:

Sinking Fund:

Bid Date:

Date and Time  
of Closing:

Names of  
Representatives:  
(with address  
for notices)

Date of  
Underwriting Agreement:

Registration Statement:

Redemption Provisions:

This is a Security Agreement and a Mortgage of Chattels as Well as a  
Mortgage of Real Estate and Other Property

Ninth Supplemental Indenture

from

SAN DIEGO GAS & ELECTRIC COMPANY

to

THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION

Dated as of                      August 1, 1968

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\* For convenience only and not a part of the Ninth Supplemental Indenture.

This Ninth Supplemental Indenture Is a Security Agreement and a  
Mortgage of Chattels as Well as a Mortgage of  
Real Estate and Other Property

THIS NINTH SUPPLEMENTAL INDENTURE, made as of the 1st day of August, 1968, by and between SAN DIEGO GAS & ELECTRIC COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of California, having its principal office in that State in the City of San Diego (the "Company"), the party of the first part, and THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION, a corporation duly organized under an act known as the "National Bank Act," of the United States of America, having its principal office in the City and County of San Francisco, State of California, as Trustee (the "Trustee"), the party of the second part.

WHEREAS, the Company executed and delivered a Mortgage and Deed of Trust (the "Original Indenture"), dated July 1, 1940, to the Trustee to secure payment of the principal of and the interest on all bonds of the Company at any time outstanding thereunder according to their tenor and effect, and to provide the terms and provisions with respect to its First Mortgage Bonds, 3/8% Series due July 1, 1970, issued in the aggregate principal amount of \$16,000,000 and presently outstanding; and

WHEREAS, the Company executed and delivered to the Trustee a First Supplemental Indenture dated as of December 1, 1946, a Second Supplemental Indenture dated as of March 1, 1948, a Third Supplemental Indenture dated as of April 1, 1952, a Fourth Supplemental Indenture dated as of April 1, 1954, a Fifth Supplemental Indenture dated as of October 1, 1955, a Sixth Supplemental Indenture dated as of October 1, 1957, a Seventh Supplemental Indenture, dated as of October 1, 1960, and an Eighth Supplemental Indenture dated as of March 1, 1967, whereby, among other things, the Company set forth certain of the particulars of the Bonds of series designated "First Mortgage Bonds, 2 3/4% Series due December 1, 1981" issued in the aggregate principal amount of \$2,800,000, "First Mortgage Bonds, Series C due 1978" issued in the aggregate principal amount of \$10,000,000, "First Mortgage Bonds, Series D due 1982" issued in the aggregate principal amount of \$12,000,000, "First Mortgage Bonds, Series E due 1984" issued in the aggregate principal amount of \$17,000,000, "First Mortgage Bonds, Series F due 1985" issued in the aggregate principal amount of \$18,000,000, "First Mortgage Bonds, Series G due 1987" issued in the aggregate principal amount of \$12,000,000, "First Mortgage Bonds, Series H due 1990" issued in the aggregate principal amount of \$30,000,000, "First Mortgage Bonds, Series I due 1997," issued in the aggregate principal amount of \$25,000,000, respectively, all of which First Mortgage Bonds except the 2 3/4% Series due December 1, 1981 in the principal amount of \$2,800,000 (which have heretofore been retired) are presently issued and outstanding; and

WHEREAS, the Original Indenture and each of said Supplemental Indentures have been recorded in the Official Records of the Recorders of the Counties of San Diego, Orange and Riverside, respectively, as follows:

Document	Official Records	San Diego	Counties of Orange	Riverside
Original Indenture	Book Page Date	1087 1 Oct. 10, 1940	1062 300 Oct. 10, 1940	1765 364 July 13, 1955
First Supplemental Indenture	Book Page Date	2321 48 Jan. 2, 1947	1506 472 Jan. 9, 1947	1765 499 July 13, 1955
Second Supplemental Indenture	Book Page Date	2537 363 Mar. 16, 1948	1616 190 Mar. 15, 1948	1765 448 July 13, 1955
Third Supplemental Indenture	Book Page Date	4424 535 Apr. 3, 1952	2311 116 Apr. 3, 1952	1765 475 July 13, 1955
Fourth Supplemental Indenture	Book Page Date	5193 217 Apr. 2, 1954	2701 153 Apr. 2, 1954	1765 336 July 13, 1955
Fifth Supplemental Indenture	Book Page Date	5893 291 Dec. 5, 1955	3304 205 Dec. 5, 1955	1829 3 Dec. 5, 1955
Sixth Supplemental Indenture	Book Page Date	6829 390 Nov. 12, 1957	4099 109 Nov. 12, 1957	2175 538 Nov. 12, 1957
Seventh Supplemental Indenture	Book Page Date	Series 1 Book 1960 File No. 202061 Oct. 10, 1960	5455 385 Oct. 10, 1960	2780 3 Oct. 10, 1960
Eighth Supplemental Indenture	Book Page Date	1967 Series 8 File No. 33860 Mar. 13, 1967	8197 129 Mar. 13, 1967	20925 (Endorsement No.) Mar. 13, 1967;

and

WHEREAS, the Company desires to amend the original Indenture as heretofore amended, supplemented and now in effect, as hereinafter set forth; and

WHEREAS, the execution and delivery of this Ninth Supplemental Indenture has been duly authorized by resolution of the Board of Directors of the Company, has been duly authorized and approved by the Public Utilities Commission of the State of California and has been approved by the holders of more than 66 2/3% in principal amount of the First Mortgage Bonds of the Company presently outstanding; and

WHEREAS, the Corporation has requested the Trustee to join in the execution and delivery of this Ninth Supplemental Indenture; and

WHEREAS, all other acts and things necessary to make this Ninth Supplemental Indenture a valid, binding and legal instrument and a valid, binding and legal amendment of the original Indenture, have been duly performed and done;

NOW, THEREFORE, in consideration of the premises IT IS HEREBY AGREED AND PROVIDED:

ARTICLE I  
AMENDMENTS OF INDENTURE

Section 1. The definition of "Permanent Additions" contained in Section 4 of Article I of the Indenture is hereby amended to read as follows:

"Section 4. The term "Permanent Additions" shall mean all property, real, personal or mixed (including therein, without in anywise limiting or impairing by the enumeration of the same, the scope and intent of the foregoing except as hereinafter specifically limited, all lands, buildings, plants, power houses, dams, reservoirs, stations, lines, gas plants, holders, pipes, mains, conduits, cables, machinery, pumps, transmission and distribution lines, pipe lines, rights-of-way, distribution systems, substations, transformers, meters, service systems and supply systems, wires, poles, cross-arms, apparatus, and improvements, extensions and additions, including operating public utility properties acquired as an entirety whether by purchase, consolidation, merger or otherwise) which shall have been made, acquired, constructed or erected by the Company or by the Company and one or more other public utilities jointly subsequent to June 30, 1940, or in the process of construction or erection in so far as actually constructed or erected subsequent to June 30, 1940, and used or to be used in the business of generating, manufacturing, storing, transporting, transmitting, distributing or supplying electricity or gas for light, heat, power, refrigeration or other purposes. Permanent Additions shall also include betterments, improvements, extensions and additions to the steam properties owned by the Company on June 30, 1940, if made, acquired, constructed or erected by the Company subsequent to June 30, 1940. The term "Permanent Additions" shall not include

(1) the undivided interest or interests of the one or more other public utilities in any such property made, acquired, constructed or erected by the Company and one or more other public utilities jointly;

(2) any property (other than paving, grading and other improvements to public properties) not subject to the lien of this Indenture as a first lien except for "permitted liens" as that term is hereinafter defined and except for Non-callable Liens as that term is hereinafter defined;



(3) any plant used or intended for use in the manufacture of artificial gas if acquired in place as an entirety, or substantially as an entirety, except a plant built or constructed for the account of the Company; or any property used or intended for use in the transmission of natural or artificial gas if located outside of San Diego County, California, or the counties immediately adjacent thereto;

(4) any property acquired by the Company for the purpose of producing natural gas, oil or coal, or natural gas or oil rights owned in fee or under lease or gas wells or oil wells or equipment therefor, or coal mines or equipment therefor;

(5) any franchises or governmental permits or licenses granted to or acquired by the Company as such, separate and distinct from the property operated thereunder or in connection therewith;

(6) any steam properties except to the extent hereinabove expressly permitted;

(7) any item of property acquired or constructed to replace a similar item of property whose retirement has not been credited to a capital account; or any property whose cost has been charged, or is properly chargeable, to repairs or maintenance or other operating expense account, or whose cost has not been charged, or is not properly chargeable, to a capital account; or

(8) any leased plant or system or any plant or system located on any leased property, easement or right of way terminable after a fixed period of time, or any undivided interest therein, or any betterments, extensions, improvements or additions of, upon, or to, any such plant or system, to the extent that such plant or system or betterments, extensions, improvements or additions thereto, may not be capitalized by the Company in accordance with the Uniform System of Accounts of the Public Utilities Commission or such other commission as may have jurisdiction thereof, or, in the absence of any such applicable Uniform System of Accounts, in accordance with generally accepted principles of accounting.

The term Permanent Additions may include properties otherwise conforming to the foregoing provisions of this Section acquired by the Company by means of or in connection with the merger into the Company of any other corporation or the consolidation of the Company with any other corporation or as a part of the assets of any other corporation acquired as an entirety or substantially as an entirety."

Section 2. Section 11 of Article II is hereby amended to read as follows:

"Section 11. In all cases of exchanges of bonds contemplated by the next preceding section hereof, the bonds to be exchanged shall be surrendered at the office or agency of the Company in such place or places as shall be designated for the purpose in such bonds or in this Indenture or any supplement thereto, with all unmatured coupons thereto appertaining (in the case of coupon bonds) and the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor the bond or bonds which the

bondholder making the exchange shall be entitled to receive. All bonds so surrendered for exchange and the coupons appertaining thereto shall be cancelled by the Trustee. Notwithstanding any legend endorsed on any outstanding registered bond that such bond has been issued in lieu of or in exchange for coupon bond(s) of the same issue and series with specified numbers and that coupon bond(s) of said issue and series bearing the same numbers will be issued in exchange for said registered bond, the Company may execute and the Trustee may authenticate and deliver coupon bond(s) of the same issue and series bearing different numbers than those specified in such legend in exchange for any such registered bond surrendered for exchange for coupon bonds, provided that such coupon bonds so issued in exchange shall be in the same aggregate principal amount as such registered bond surrendered for exchange. Upon every exchange of bonds (including transfers of registered bonds without coupons under the provisions of Section 12 of this Article), the Company (subject to the provisions of Section 14 of this Article) may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange and in addition may charge a sum not exceeding Two Dollars (\$2) for each bond issued upon any such exchange, which shall be paid by the party requesting such exchange as a condition precedent to the exercise of the privilege of making such exchange. The Company shall not be obligated to make exchanges of bonds for a period of ten (10) days next preceding any interest payment date."

Section 3. A new section is hereby added to Article II of the original Indenture to be designated as Section 18 and to read as follows:

"Section 18. Notwithstanding any of the terms or provisions of the Indenture, or any of the terms or provisions of any of the bonds now or hereafter outstanding, whenever in the Indenture or in any bond of any series (including series heretofore issued) hereafter authenticated and delivered under any provision of the Indenture reference is made to the execution, issue or signing of such bond by the Company or an officer thereof, or to the attestation of its corporate seal affixed thereto, the signature of the proper officer of the Company acting for any such purpose may be either a manual signature of such officer or a facsimile thereof."

Section 4. Clause (2) of Section 2 of Article XI is hereby amended to read as follows:

"(2) cancel, or make changes or alterations in, or substitutions of, any and all contracts, leases and easements; or waive the right to partition property additions owned as a tenant-in-common with one or more other public utilities;"

Section 5. A new section is hereby added to Article XVII of the original Indenture to be designated as Section 9 and to read as follows:

"Section 9. Anything in this Article XVII contained to the contrary notwithstanding, the Trustee shall receive the written consent or consents of the holders of not less than 66 2/3% in principal amount of bonds then outstanding and entitled to

consent in lieu of the holding of a meeting pursuant to this Article XVII and in lieu of all action at such a meeting."

ARTICLE II  
MISCELLANEOUS PROVISIONS

Section 1. This instrument is executed and shall be construed as an indenture supplemental to the Original Indenture and shall form a part thereof and, as amended by this Ninth Supplemental Indenture, the Original Indenture, as heretofore amended and supplemented, is hereby confirmed.

In order to facilitate the filing of this Ninth Supplemental Indenture the same may be executed in several counterparts each of which, when so executed, shall be deemed to be an original, but such counterparts shall constitute but one and the same instrument.

Section 2. This Ninth Supplemental Indenture is dated for convenience August 1, 1968, although executed and delivered on the date of the acknowledgment hereof by the Trustee, and the same shall be effective from the date on which it is so executed and delivered.

Section 3. All of the covenants, stipulations, promises and agreements in this Ninth Supplemental Indenture contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

IN WITNESS WHEREOF, SAN DIEGO GAS & ELECTRIC COMPANY has caused this Ninth Supplemental Indenture to be signed in its name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed duly attested by its Secretary or one of its Assistant Secretaries, and THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION, to evidence its acceptance of the trusts hereby created, has caused this Ninth Supplemental Indenture to be signed in its name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed duly attested by its Secretary or one of its Assistant Secretaries as of the day and year first above written.

SAN DIEGO GAS & ELECTRIC COMPANY

By SHERMAN CHICKERING  
Vice President

Attest:

C. HAYDEN AMES  
Assistant Secretary  
[Corporate Seal]

THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION

By R. G. FUNSTON  
Vice President

Attest:

W. E. SHEEHAN  
Assistant Secretary  
[Corporate Seal]

State of California  
City and County of San Francisco--ss.

On this 1st day of August, 1968, before me, ELLEN SMITH, a Notary Public in and for said City and County and State, personally appeared SHERMAN CHICKERING, known to me to be Vice President and C. HAYDEN AMES, known to me to be Assistant Secretary of SAN DIEGO GAS & ELECTRIC COMPANY, a California corporation, one of the corporations that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

ELLEN SMITH  
Notary Public in and for the City and County  
of San Francisco, State of California

My Commission expires Feb. 14, 1972

[Notarial Seal]

State of California  
City and County of San Francisco--ss.

On this 8 day of August, 1968, before me, SELMA R. CONLAN, a Notary Public in and for said City and County and State, personally appeared R. G. FUNSTON, known to me to be Vice President, and W. E. SHEEHAN, known to me to be Assistant Secretary of THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION, a corporation duly organized under an act known as the "National Bank Act," of the United States of America, one of the corporations that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same as trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

SELMA R. CONLAN  
Notary Public in and for the City and County  
of San Francisco, State of California

My Commission expires July 5, 1969

[Notarial Seal]

Executed counterparts of the foregoing Ninth Supplemental Indenture were recorded on August 14, 1968, Series 9 Book 1968 of Official Records of the County Recorder of San Diego County, California File/Page No. 138926; in Official Record Book 8691, at page 69 of the County Recorder of Orange County, California; and under Recorder's Endorsement No. 78781 of the County Recorder of Riverside County, California.

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM T-1

Statement of Eligibility and Qualification under the  
Trust Indenture Act of 1939 of a Corporation  
Designated to Act as Trustee

---

U.S. Bank Trust National Association

(Exact name of trustee as specified in its charter)

United States

94-3160100

(State of Incorporation)

(IRS Employer Identification No.)

550 South Hope Street, Suite 500  
Los Angeles, California 90071

(Address of principal executive offices and zip code)

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San Diego Gas & Electric Company

(Exact name of obligor as specified in its charter)

California

(State or other jurisdiction of Incorporation or organization)

33-0732627  
(IRS Employer Identification No.)

101 Ash Street  
San Diego, CA 92101

(Address of principal executive offices and Zip code)

(Names, addresses and telephone numbers of agents for service)

First Mortgage Bonds

(Title of the indenture securities)

GENERAL

1. GENERAL INFORMATION Furnish the following information as to the trustee.  
-----

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency  
Washington DC

(b) Whether it is authorized to exercise corporate trust powers.

Yes

2. AFFILIATIONS WITH OBLIGOR AND UNDERWRITERS If the obligor or any  
-----  
underwriter for the obligor is an affiliate of the trustee, describe each such affiliation.

None

See Note following Item 16.

Items 3-15 are not applicable because to the best of the Trustee's  
-----  
knowledge the obligor is not in default under any Indenture for which the  
-----  
Trustee acts as Trustee.  
-----

16. LIST OF EXHIBITS List below all exhibits filed as a part of this statement  
-----  
of eligibility and qualification.

Exhibit 1 -Articles of Association of U.S. Bank Trust National Association dated June 5, 1992. Incorporated herein by reference to Exhibit 1 filed with Form T-1 statement, Registration No. 33-50826

Exhibit 2 -Certificate of the Comptroller of Currency as to authority of U.S. Bank Trust National Association to commence the business of banking. Incorporated herein by reference to Exhibit 2 filed with Form T-1 Statement, Registration No.33-50826

Exhibit 3 -Authorization of the Comptroller of Currency granting U.S. Bank Trust National Association the right to exercise corporate trust powers. Incorporated herein by reference to Exhibit 3 filed with Form T-1 Statement, Registration No.33-50826

Exhibit 4 -By-Laws of U.S. Bank Trust National Association, dated June 15, 1992. Incorporated herein by reference to Exhibit 4 filed with Form T-1 Statement, Registration No.33-50826

Exhibit 5 - Not Applicable

Exhibit 6 -Consent of U.S. Bank Trust National Association required by Section 321(b) of the Act. Incorporated herein by reference to Exhibit 6 filed with Form T-1 Statement, Registration No.33-50826

Exhibit 7 -Report of Condition of U.S. Bank Trust National Association,  
as of the close of business on September 30, 2000 published pursuant  
to law or the requirements of its supervising or examining authority.

NOTE

The answers to this statement insofar as such answers relate to what persons have been underwriters for any securities of the obligor within three years prior to the date of filing this statement, or what persons are owners of 10% or more of the voting securities of the obligor, or affiliates, are based upon information furnished to the trustee by the obligor. While the trustee has no reason to doubt the accuracy of any such information, it cannot accept any responsibility therefor.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, U.S. Bank Trust National Association, an Association organized and existing under the laws of the United States, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the City of Los Angeles and State of California on the 5th day of February 2001.

U.S. BANK TRUST NATIONAL ASSOCIATION

By: /s/ Gonzalo Urey

-----  
Gonzalo Urey  
Assistant Vice President

Attest: /s/ Tamara Mawn

-----  
Tamara Mawn  
Vice President

EXHIBIT 6

C O N S E N T

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. Bank Trust National Association, hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: February 5, 2001

U.S. BANK TRUST NATIONAL ASSOCIATION

By: /s/ Gonzalo Urey

-----  
Gonzalo Urey  
Assistant Vice President



U.S. Bank Trust National Association  
Statement of Financial Condition  
As of 09/30/00

(\$000's)

Assets:	
Cash and Balances Due From Depository Institutions:	75,439
Federal Reserve Stock:	5,471
Fixed Assets:	807
Intangible Assets:	56,567
Other Assets:	9,972
	-----
Total Assets:	148,256
	-----
Liabilities:	
Other Liabilities:	6,935
	-----
Total Liabilities:	6,935
	-----
Equity:	
Common and Preferred Stock:	1,000
Surplus:	126,260
Undivided Profits and Capital Reserve:	14,060
Net unrealized holding gains (losses) on available-for-sale securities	1
	-----
Total Equity Capital:	141,321
	-----
Total Liabilities and Equity Capital:	148,256
	-----

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To the best of the undersigned's determination, as of this date the above financial information is true and correct.

U.S. Bank Trust National Association

By: /s/ Gonzalo Urey  
-----  
Assistant Vice President