

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report
(Date of earliest event reported): March 31, 1995

SAN DIEGO GAS & ELECTRIC COMPANY
.

(Exact name of registrant as specified in its charter)

CALIFORNIA 1-3779 95-1184800
.

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

101 ASH STREET, SAN DIEGO, CALIFORNIA 92101

(Address of principal executive offices) (Zip Code)

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

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

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Item 5. Other Events

On March 31, 1995 Wahlco Environmental Systems, Inc. (Wahlco) announced that it is negotiating an agreement, the terms of which would include, among other things, an option for the otherwise-unrelated party to acquire from Pacific Diversified Capital Company (a subsidiary of SDG&E and an 81 percent owner of Wahlco) (PDC) its investment in and receivables from Wahlco. Since the consideration PDC would receive would be less than the carrying amount of its investment and receivables, the negotiations result in a charge to the first quarter earnings of PDC and, thereby, of SDG&E. The amount of the charge is not material to the financial position or results of operations of SDG&E.

Item 7. Financial Statements and Exhibits

(c) Exhibits

28.1 March 31, 1995 Wahlco Environmental Systems, Inc. Press Release

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SAN DIEGO GAS & ELECTRIC COMPANY

(Registrant)

March 31, 1995

By: /s/ F. H. Ault

Date

F. H. Ault, Vice President and Controller

WAHLCO ENVIRONMENTAL SYSTEMS, INC. ANNOUNCED THAT:

The Company and its approximately 81% stockholder, Pacific Diversified Capital Company ("PDC"), ARE PLEASED TO ANNOUNCE THAT THEY have entered into a letter of intent with an unrelated third party WHICH MAY PROVIDE FINANCING FOR THE COMPANY AND RESULT IN NEW OWNERSHIP OF THE COMPANY.

Under the nonbinding terms of the letter of intent, the third party would provide the Company with a \$5 million line of credit secured by the assets of the Company and its subsidiaries, and PDC would provide the third party with options to purchase ALL of the Company's debt held by PDC at a substantial discount from its face value and all of the Company's capital stock held by PDC at a fraction of its book value.

Under the binding terms of the letter of intent, the Company may not initiate any negotiations or discussions with any other party regarding any of the stock or assets of the Company, and PDC may not initiate any negotiations or discussions with any other party regarding PDC's ownership of stock or debt in the Company. Unless the third party discontinues negotiations concerning the nonbinding terms of the letter of intent, the Company and PDC will be required under certain circumstances to pay substantial fees to the third party if the letter of intent is terminated prior to June 1, 1995.

While PDC is currently providing the Company with short-term financing to meet the company's working capital needs, PDC is unwilling, at this time, to commit to meet the Company's continuing working capital requirements. The \$5 million line of credit is intended to meet these requirements. If the \$5 million line of credit is not obtained, the Company will evaluate strategies to meet its working capital requirements, including new investors or lenders or the sale of assets or subsidiaries, and PDC has indicated that it will evaluate the type of financing, if any, it will provide to the Company in the future.