

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

_____)
In the Matter of the Application of San Diego Gas &)
Electric Company (U 902 E) for Authorization to)
Recover Unforeseen Liability Insurance Premium and)
Deductible Expense Increases as a Z-Factor Event.)
_____)

A.09-08-_____
(Filed August 31, 2009)

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) FOR
AUTHORIZATION TO RECOVER UNFORESEEN LIABILITY INSURANCE PREMIUM
AND DEDUCTIBLE EXPENSE INCREASES AS A Z-FACTOR EVENT**

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August 31, 2009

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In accordance with the Commission’s Rules of Practice and Procedure, San Diego Gas & Electric Company (“SDG&E”) hereby submits this application (“Application”) for authorization to recover unforeseen liability insurance premium and deductible expense increases as a Z-factor event. The incremental revenue requirement proposed by SDG&E to recover unforeseen 2009 liability premium increases is \$28,884,000. This amount would be amortized in SDG&E’s electric and natural gas rates over a period of not less than 12 months beginning on June 1, 2010. In addition, SDG&E proposes a new advice letter and amortization process to enable it to recover any future unforeseen liability insurance premium expense increases and liability insurance deductible expense increases until the next General Rate Case (“GRC”) decision.

I. Z-FACTOR BACKGROUND

In post-test year ratemaking the Commission has established a way to protect both the utility and customers by allowing for adjustments for unexpected and uncontrollable events. The adopted mechanism, dubbed a “Z-factor,” has been addressed by the Commission in multiple proceedings beginning with D.89-10-031. In that decision, the Commission adopted the Z-factor to allow rate adjustments for exogenous factors outside of the inflation index adopted for the

utility.¹ Subsequent decisions provided a complete framework for Z-factor analysis establishing whether an alleged Z-factor event meets specific criteria. If it does, the cost in question is eligible for Z-factor cost recovery.

In the early 1990s, telecommunication companies on a number of occasions sought recovery for costs they considered to meet the definition of a Z-factor event. In considering these cases, the Commission established nine specific criteria for evaluating Z-factor events. These criteria were summarized in D.94-06-011. In D.99-05-030, the Commission established a Z-factor mechanism for SDG&E based on the nine criteria first identified in D.94-06-011. This mechanism included a \$5 million deductible for each Z-factor event.²

In D.05-03-023 the Commission continued the Z-factor mechanism established by D.99-05-030 but eliminated one of the original nine criteria.³ In Decision D.08-07-046, the Commission addressed the Test Year 2008 GRC applications of SDG&E and SoCalGas. This decision approved settlement agreements related to SDG&E and SoCalGas' respective Test Year 2008 revenue requirements and post-test year ratemaking mechanisms for each utility (together, the "Settlement Agreements").⁴ In approving the Settlement Agreements, the Commission authorized SDG&E's existing Z-factor mechanism to continue through at least 2011.⁵

¹ D.89-10-031 addressed Z- factor guidelines specifically for telecommunication companies.

² D.99-05-030, mimeo., at 59 and 76-77 (Ordering paragraph No. 7).

³ See D.05-03-023, mimeo., at 78 (Ordering Paragraph No. 2 authorizing SDG&E and SoCalGas to file for rate adjustments using the mechanisms described in the Settlement Agreement) and p. 12 of Appendix C (Settlement Agreement). The eliminated criteria provided that the costs and event are not part of the rate update mechanism.

⁴ D.08-07-046, mimeo., at 101 (Ordering Paragraphs No. 3 and No. 4).

⁵ D.08-07-046, mimeo., at Appendix 3 (Settlement Agreement Regarding SDG&E Post-Test Year Ratemaking) at 6.

II. UNFORESEEN LIABILITY INSURANCE PREMIUM AND DEDUCTIBLE EXPENSE INCREASES SATISFY ALL SUBSTANTIVE CRITERIA FOR Z-FACTOR TREATMENT

In accordance with the decisions just described, eight substantive criteria must now be satisfied for an event affecting SDG&E to qualify for Z-factor treatment:

1. The event must be exogenous to the utility;
2. The event must occur after implementation of rates;
3. The costs are beyond the control of the utility management;
4. The costs are not a normal part of doing business;⁶
5. The costs must have a disproportionate impact on the utility;
6. The costs must have a major impact on overall costs;
7. The cost impact must be measurable; and
8. The utility must incur the cost reasonably.

As described in detail in the testimony of Lee Schavrien, unforeseen liability insurance premium and deductible expense increases satisfy each of these eight criteria. The increases are exogenous to SDG&E and took place after implementation of SDG&E's 2008 GRC; they are beyond the control of utility management, and not a normal part of doing business; the expenses certainly can have a major and disproportionate impact on SDG&E; the impact of the costs SDG&E is currently seeking recovery of (and any costs that SDG&E may seek recovery of in the future) are definitely measurable; and, as described in the testimony of both Mr. Schavrien and

⁶ The description of Z-factor criteria in D.05-03-023 omits the word "not" from this criteria. See D.05-03-023, mimeo., 30. SDG&E views this as an inadvertent clerical error since the Commission was merely attempting to describe the existing criteria, and neither the settling parties nor the Commission propose or describe any change to the existing Z-factor criteria other than the elimination of criterion No. 6 set forth in the Settlement Agreement. As a result of this inadvertent error in D.05-03-023, the same omission was also inadvertently carried forward into SDG&E's preliminary statement describing the Z-factor mechanism. If the Commission agrees, this application proceeding may be an appropriate forum to correct this omission of "not" from SDG&E's Z-factor preliminary statement.

Mr. De Bont, SDG&E incurred the costs reasonably through an active and sophisticated insurance procurement process.

III. SDG&E HAS SATISFIED ALL Z-FACTOR PROCEDURAL REQUIREMENTS RELATING TO THESE UNFORESEEN EXPENSES

SDG&E is required to notify the Commission of its intention to request Z-factor treatment through a letter to the Commission's Executive Director.⁷ On April 17, 2009, SDG&E notified the Commission of its intent to designate unforeseen liability insurance premium expense increases as a Z-factor event through a letter to the Commission's Executive Director.⁸ In accordance with its Z-factor mechanism, SDG&E established a subaccount of the Z-factor Memorandum Account ("ZFMA") to track annual liability insurance premium expense above the level authorized in D.08-07-046, SDG&E's 2008 GRC decision.

Each SDG&E Z-factor event is subject to a \$5 million deductible.⁹ As discussed below and in the testimony of Lee Schavrien and Deborah Yee, SDG&E has applied the \$5 million Z-factor deductible to the incremental revenue requirement of \$28,884,000 associated with SDG&E's unforeseen liability premium expenses in 2009 that SDG&E is seeking recovery of in this proceeding. Accordingly, SDG&E has satisfied all procedural requirements to obtain Z-factor treatment for unforeseen liability insurance premium and deductible expenses until a decision in its next GRC.

⁷ See D.99-05-030, mimeo., at 59 and 76-77 (Ordering paragraph No. 7).

⁸ On April 17, 2009, SDG&E also notified the Commission of its intent to designate unforeseen potential outside litigation and liability claim expenses in excess of insurance coverage as a Z-factor event in order to track such expenses in its ZFMA. On this same date, SoCalGas notified the Commission of its intent to designate unforeseen liability insurance premium expense increases as a Z-factor event. These other Z-factor notifications are not being addressed as part of this application.

⁹ D.99-05-030, mimeo., at 59 and 76 (Ordering paragraph No. 7).

IV. SDG&E SHOULD BE AUTHORIZED TO RECOVER UNFORESEEN LIABILITY INSURANCE PREMIUM AND DEDUCTIBLE EXPENSES AS A SINGLE Z-FACTOR EVENT WITH ONE \$5 MILLION Z-FACTOR DEDUCTIBLE

As described above and in the testimony supporting this Application, SDG&E's unforeseen liability insurance premium and deductible expenses meet all substantive criteria and procedural requirements for recovery as a Z-factor event. Accordingly, SDG&E should be authorized to recover its unforeseen liability insurance premium expenses already incurred in 2009, and any additional future unforeseen liability insurance premium and deductible expenses incurred by SDG&E prior to a decision in its next rate case. Such recovery would be consistent with the public interest and the purpose of SDG&E's Z-factor mechanism – to protect the utility and its customers by allowing for post-test year adjustments for unexpected and uncontrollable events.

As the Commission explained in D.99-05-023, if the costs of a Z-factor event are multi-year in nature, then the \$5 million deductible applies only to the first \$5 million of expense after which the balance of the event expenses are 100% recoverable.¹⁰ The unforeseen liability insurance premium and deductible expense increases being experienced by SDG&E are definitely multi-year in nature. As explained by Mr. De Bont, these cost increases are likely to have a substantial effect on liability insurance premiums and deductibles for several years.

Moreover, liability insurance premiums and deductibles are inextricably interrelated – premiums depend upon deductibles and visa versa. The increases that SDG&E is experiencing in liability insurance premiums and liability insurance deductibles cannot and should not be treated as independent events. Liability premium increases and increased liability insurance deductible expenses are all a result of the same fundamental changes that have taken place in the liability insurance marketplace. Accordingly, the costs associated with this Z-factor event are multi-year in nature and the \$5 million deductible should apply only to this year's unforeseen liability premium expenses.

¹⁰ D.99-05-030, mimeo., at 59 and 76-77 (Ordering paragraph No. 7).

V. TREATMENT OF 2009 UNFORESEEN LIABILITY INSURANCE PREMIUM EXPENSES

As described in the testimony of Ms. Yee, the incremental revenue requirement associated with SDG&E's unforeseen liability premium expenses in 2009 is \$28,884,000. This amount relates to the 2009 general liability premiums of \$7,136,000 and 2009 wildfire liability premiums of \$39,866,000 allocated to SDG&E. As discussed by Mr. De Bont, these allocations were determined by applying the multi-factor formula methodology authorized in the 2008 GRC to general liability premium expenses, and a separate wildfire exposure-based factor to wildfire liability premiums. The total 2009 general and wildfire liability premiums allocated to SDG&E are \$47,001,000.

In order to determine the appropriate Z-factor revenue requirement, these 2009 liability premium costs are converted to a revenue requirement by applying the following steps: a) segmentation of costs between gas and electric departments; b) capitalization of costs; c) allocation of costs to FERC jurisdiction and application of capital service price to remaining CPUC capital costs; and d) adjustment for shared service billings. This process is described in detail by Ms. Yee, and results in an overall revenue requirement of \$35,297,000, which represents the actual 2009 liability premium costs of \$47,001,000 stated in revenue requirement format. To determine the incremental liability costs before the one-time Z-factor deductible, the liability premium revenue requirement of \$2,664,000 already included in SDG&E's rates pursuant to the 2008 GRC is subtracted from the overall revenue requirement of \$35,297,000, leaving a revised total of \$32,633,000. Finally, to determine the correct incremental Z-factor revenue requirement associated with SDG&E's unforeseen 2009 liability premium increases, the one-time Z-factor deductible of \$5,000,000 is subtracted and interest and franchise fees and

uncollectible expense are added, resulting in a final \$28,884,000 incremental 2009 revenue requirement request.

As explained by Mr. Schavrien and Ms. Yee, SDG&E has increased the allocation of the wild fire premium expense to the FERC-jurisdictional electric transmission department from 8.3% to 22.6%. While SDG&E believes this change to be reasonable, it is not certain that this change will be approved by the FERC. Should this change in allocation methodology not be approved by FERC, SDG&E requests authorization to add any liability premium and deductible expenses disallowed by FERC to the ZFMA for recovery in SDG&E's rates in the same manner as future liability insurance premium and insurance deductible expense increases.

As described by Mr. Schavrien, SDG&E proposes to recover this incremental revenue requirement by transferring a total of \$28,884,000 into SDG&E's Electric Distribution Fixed Cost Account (for electric) and SDG&E's Core and Noncore Fixed Cost accounts (for gas) and amortizing over a period of not less than 12 months beginning on June 1, 2010.

VI. TREATMENT OF FUTURE UNFORESEEN LIABILITY INSURANCE PREMIUM AND DEDUCTIBLE EXPENSES

As explained by Mr. De Bont, the unforeseen liability insurance premium increases that SDG&E experienced in 2009 are likely to continue for several years as a result of the 2007 and 2008 wildfires in Southern California and certain other factors. Moreover, SDG&E's liability deductible increased in 2009 from \$1 million to \$5 million per occurrence, and SDG&E is now forced to share 50% of all wildfire losses within the first \$60 million of insurance coverage. These deductible increases create the potential for substantial future unforeseen expenses for SDG&E since SDG&E's 2008 GRC assumed a \$1 million liability insurance deductible.

For the reasons described above and in the testimony supporting this Application, SDG&E should be authorized to recover any additional future unforeseen liability insurance premium and deductible expenses incurred by SDG&E prior to a decision in its next GRC. As with 2009 unforeseen liability premium expenses, to the extent liability premium expenses in 2010 and later years exceed the amount authorized in SDG&E's 2008 GRC, SDG&E will track such unforeseen premium expenses in the liability insurance subaccount of the ZFMA. SDG&E will also track unforeseen deductible expenses in the ZFMA to the extent such expenses exceed the \$1 million deductible used to develop base rates in SDG&E's 2008 GRC.

SDG&E requests approval of an advice letter process for including additional future unforeseen liability insurance premium and deductible expenses tracked in the ZFMA subaccount into rates. Pursuant to this proposed advice letter process, in 2010 and each subsequent year until a decision approving SDG&E's next GRC becomes effective, SDG&E will file an advice letter containing the following information within 30 days after SDG&E's annual liability insurance renewal:¹¹

- A description of the liability insurance procurement process for that year;
- Calculations supporting the amount of incremental liability insurance premium expense that will be recorded in the ZMFA for the next 12-month coverage period;
- Calculations supporting the amount of incremental liability insurance deductible expense that has been recorded in the ZMFA during the prior insurance coverage period (i.e., for the 2010 advice filing, the amount of incremental deductible expense, if any, recorded in the ZMFA since June of 2009);

¹¹ SDG&E currently renews its liability policies in late June each year.

- A statement of the amount of incremental liability premium expense that has been disallowed by FERC and recorded in the ZMFA during the prior insurance coverage period, together with any relevant materials from FERC relating to the disallowance;
- All calculations needed to transform these incremental expenses into incremental revenue requirements using the same methodology as described in this Application and the supporting testimony of Ms. Yee.¹²

Upon approval of the advice letter, SDG&E will reflect the ZFMA balance in its annual regulatory account update advice letter filed in October of each year and transfer the ZFMA to the Electric Distribution Fixed Cost Account (EDFCA) or Core/Non-core Fixed Cost Account (CFCA/NFCA) for amortization over a 12-month period beginning the following January 1st of the following year in connection with SDG&E's annual regulatory account balance update filing.

VII. RELATIONSHIP BETWEEN THIS APPLICATION AND THE JOINT IOU WILDFIRE COST RECOVERY APPLICATION

Coincident with the filing of this SDG&E Z-factor application, SoCalGas, SDG&E, SCE, and PG&E are jointly filing an application ("Joint IOU application") proposing a mechanism for the recovery of wildfire claims, wildfire litigation expenses, and wildfire insurance premiums in excess of amounts authorized for recovery in rates in the Utilities' GRCs.

SDG&E proposes that the treatment of incremental liability insurance premium expenses and expenses associated with increases in liability insurance deductible levels above the levels authorized in the 2008 GRC be as described in this SDG&E Z-factor application until SDG&E's next GRC unless the Commission approves the Joint IOU application. Should the Commission

¹² As discussed above and in the testimony of Ms. Yee, these adjustments would include removal of FERC jurisdictional costs; adjustments for segmentation between gas and electric departments, capitalization, shared service billings, and FF&U expense; and interest on the estimated monthly balances in the ZFMA subaccount. There would be no removal of the \$5,000,000 one-time Z-factor deductible because this amount was already removed from SDG&E's 2009 incremental liability premium expense revenue requirement of \$28,890,000.

approve the Joint IOU application with provisions that provide for the recovery of wildfire claims, wildfire litigation expenses, and/or wildfire insurance premiums in excess of amounts authorized for recovery in rates in the Utilities' GRCs, then SDG&E proposes that the Joint IOU mechanism adopted by the Commission supersede the Z-factor methodology for such expenses going forward.

VIII. SUPPORTING TESTIMONY

This Application is supported by the following testimony concurrently being served on each party receiving this Application:

- Lee Schavrien, Senior Vice President of Regulatory and Finance for SoCalGas and SDG&E, describes the history and function of the Z-factor mechanism, explains why the liability insurance premium expense increase and deductible expense increases qualifies for cost recovery under the Z-factor mechanism, and describes SDG&E's proposed methodology for cost recovery of the annual ZFMA liability insurance subaccount balance until the next SDG&E GRC.
- Maury De Bont, Risk Manager for Sempra Energy, describes the changes in the insurance market since the 2008 SDG&E GRC was authorized by the Commission and the procurement process for 2009 liability insurance.
- Deborah Yee, GRC Financial Analysis Manager, describes the translation of the annual ZFMA subaccount balance into an annual incremental revenue requirement for ratemaking purposes.

IX. RELIEF REQUESTED

SDG&E is seeking the following relief in this Application:

1. Authorization to recover unforeseen liability insurance premium expense and deductible increases until SDG&E's next GRC decision as one single Z-factor event that is subject to one single \$5 million Z-factor deductible;
2. Approval of an incremental revenue requirement of \$28,884,000 associated with actual 2009 liability insurance premium expense increases;
3. Authorization to recover this incremental revenue requirement by transferring a total of \$28,884,000 into SDG&E's Electric Distribution Fixed Cost Account (for electric) and SDG&E's Core and Noncore Fixed Cost accounts (for gas) and amortizing over a period of not less than 12 months beginning on June 1, 2010;
4. Authorization to recover any future unforeseen liability insurance premium and deductible expense increases until the next GRC decision through the advice letter and amortization process proposed by SDG&E in this Application;
5. Authorization to add any liability insurance premium or deductible expenses disallowed by FERC to the ZFMA for recovery in SDG&E's rates in the same manner as future liability insurance premium and insurance deductible expense increases; and
6. For such other and further relief as may be necessary to effectuate the intent of this Application.

X. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Category, Need for Hearings, Issues, and Schedule - Rule 2(1)(c)

1. Category

SDG&E proposes that this proceeding be categorized as "ratesetting" because SDG&E's proposals will have a future effect on its rates.

2. Need for Hearings

SDG&E does not believe that hearings are necessary and all proposals can be handled through testimony and briefing. Once interested parties have an opportunity to respond to this Application and supporting testimony the Commission will be able to conclude whether hearings are required.

3. Issues to be Considered

The issues to be considered in this proceeding are whether the Commission should provide the relief requested by SDG&E in this Application.

4. Proposed Schedule

SDG&E proposes the following schedule, assuming no hearings are necessary:

<u>EVENT</u>	<u>DATE</u>
Application	August 31, 2009
Responses	September 28, 2009
Initial Prehearing Conference	October 5, 2009
Intervenor Testimony	November 2, 2009
Rebuttal Testimony	November 23, 2009
Opening Briefs	December 21, 2009
Reply Briefs	January 11, 2010
Proposed Decision	March 8, 2010
Commission Decision	April 2010

B. Authority - Rule 2.1

This Application is made pursuant to Sections 451, 454, 489, 491, 701, 728, and 729 of the Public Utilities Code of the State of California, the Commission's Rules of Practice and Procedure, and relevant decisions, orders, and resolutions of the Commission, including D.99-05-030 and D.05-03-023.

C. Corporate information and Correspondence - Rules 2.1(a) and 2.1(b)

SDG&E is a public utility organized and existing under the laws of the State of California. SDG&E's principal place of business and mailing address is 8306 Century Park Court, San Diego, California, 92123.

All correspondence and communications to SDG&E regarding this Application should be addressed to:

Chuck Manzuk
Case Manager
8306 Century Park Court
San Diego, California, 92123
Telephone: (858) 654-1782
Facsimile: (858) 654-1788
E-mail: CManzuk@semprautilities.com

with a copy to:

Michael R. Thorp
Attorney for
San Diego Gas & Electric Company
555 West Fifth Street, GT-14E7
Los Angeles, California 90013-1011
Telephone: (213) 244-2981
Facsimile: (213) 629-9620
E-mail: mthorp@sempra.com

D. Request for Ex Parte Approval - Rule 2.1(c)

The Commission is familiar with SDG&E's Z-factor mechanism and the limited issues presented by this Application. SDG&E believes that the information provided by this Application and accompanying testimony will be a sufficient basis for the Commission to reach a decision without hearings. Accordingly, SDG&E respectfully requests that the Commission approve this Application expeditiously, and without evidentiary hearings.

E. Organization and Qualification to Transact Business – Rule 2.2

SDG&E's current Amended Articles of Incorporation are Attachment A to this Application.

F. Balance Sheet and Income Statement – Rule 3.2(a)(1)

Attachment B to this Application is SDG&E's Balance Sheet as of June 30, 2009. Attachment C to this Application is SDG&E's Income Statement for the six-month period ended June 30, 2009.

G. Rates - Rules 3.2(a)(2) and 3.2(a)(3)

The rate changes for SDG&E that will result from this Application are described in Attachment D to this Application.

H. Property and Equipment - Rule 3.2(a)(4)

A general description of SDG&E's property and equipment was previously filed with the Commission on October 5, 2001, in connection with SDG&E's Application No. 01-10-005 and is incorporated herein by reference. A statement of the original cost and depreciation reserve attributable thereto is Attachment E to this Application.

I. Summary of Earnings - Rules 3.2(a)(5) and (6)

Attachment F to this Application is a SDG&E Summary of Earnings for the six months ended June 30, 2009.

J. Depreciation - Rule 3.2(a)(7)

For financial statement purposes, depreciation of utility plant for SDG&E has been computed on a straight-line remaining life basis at rates based on the estimated useful lives of plant properties. For federal income tax accrual purposes, SDG&E generally computes depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-fixing purposes, "flow through accounting" has been adopted for such properties. For tax property

additions in years 1981 through 1986, SDG&E has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SDG&E has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the depreciation differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.

K. Proxy Statement - Rule 3.2(a)(8)

A copy of SDG&E's most recent proxy statement, dated April 17, 2009, was mailed to the California Public Utilities Commission on April 24, 2009, and is incorporated herein by reference.

L. Pass Through of Costs - Rule 3.2(a)(10)

The rate changes sought by this Application would pass through to customers of SDG&E only increased costs to SDG&E for services and commodities furnished by SDG&E.

M. Service and Notice - Rule 1.9

SDG&E is serving this Application on all parties to A.06-12-009/A.06-12-010. Within ten days of filing, SDG&E will mail notice of this Application to the State of California and to cities and counties served by SDG&E, and SDG&E will post the notice in their offices and publish the notice in newspapers of general circulation in each county in their service territory. In addition, SDG&E will include notices with the regular bills mailed to all customers affected by the proposed rate changes.

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VERIFICATION

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. The matters stated in the foregoing Application are true to my own knowledge, except as to matters that are stated therein on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 31st day of August, 2009, at San Diego, California.

/s/ Lee Schavrien

Lee Schavrien
Senior Vice President
Regulatory and Finance

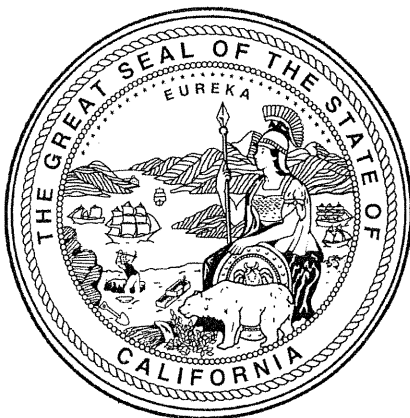
ATTACHMENT A

State of California
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 9 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

NOV 17 2006

A handwritten signature in cursive script, appearing to read "Bruce McPherson".

BRUCE McPHERSON
Secretary of State

A0652773

SAN DIEGO GAS & ELECTRIC COMPANY

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

NOV 13 2006

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

Joan T. Jones and Jennifer F. Jett certify that:

1. They are a Vice President and the Corporate Secretary, respectively, of **San Diego Gas & Electric Company**, a California corporation.

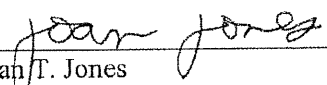
2. Article Fifth of the Articles of Incorporation is amended to read in full as set forth on Exhibit A hereto which is incorporated by reference as if fully set forth herein.

3. The amendment has been approved by the board of directors.

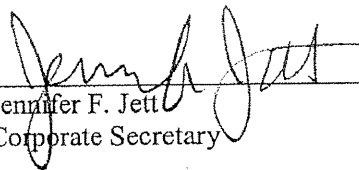
4. The amendment has been approved by the required vote of shareholders in accordance with Sections 902 and 903 of the California Corporations Code. The total number of outstanding shares of the corporation entitled to vote on the amendment was 116,583,358 shares of Common Stock (entitled to one vote per share) and 1,373,770 shares of Cumulative Preferred Stock (entitled to two votes per share). The only other outstanding shares of the corporation are 2,690,000 shares of Preference Stock (Cumulative) none of which were entitled to vote on the amendment. The number of shares of each class voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was not less than a majority of all shares entitled to vote (voting together as a single class), not less than a majority of the outstanding shares of Common Stock, and not less than a majority of the votes entitled to be cast.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: November 10, 2006



Joan T. Jones
Vice President, Treasurer and
Assistant Secretary



Jennifer F. Jett
Corporate Secretary

SAN DIEGO GAS & ELECTRIC COMPANY

Amendment of Article Fifth
of the
Articles of Incorporation

Article Fifth of the Articles of Incorporation of San Diego Gas & Electric Company is amended in its entirety to read as follows:

FIFTH: The total number of shares which the Corporation shall have authority to issue shall be 291,375,000. The Corporation is authorized to issue four classes of stock, designated, respectively, "Cumulative Preferred Stock," "Preference Stock (Cumulative)," "Series Preference Stock," and "Common Stock."

The number of shares of Cumulative Preferred Stock which the Corporation is authorized to issue is 1,375,000, each of the par value of \$20. The number of shares of Preference Stock (Cumulative) the Corporation is authorized to issue is 10,000,000, each without par value. The number of shares of Series Preference Stock which the Corporation is authorized to issue is 25,000,000, each without par value. The number of shares of Common Stock which the Corporation is authorized to issue is 255,000,000, each without par value.

The Cumulative Preferred Stock and the Preference Stock (Cumulative) are collectively referred to herein as the "Senior Preferred Stock." The Series Preference Stock and the Common Stock are collectively referred to herein as the "Junior Stock."

I. SENIOR PREFERRED STOCK

A. ISSUANCE IN SERIES

1. Cumulative Preferred Stock:

The Cumulative Preferred Stock has been issued in series. The initial series of Cumulative Preferred Stock consists of 375,000 shares, designated "Cumulative Preferred Stock, 5% Series, \$20 par value." The remaining series consist of the following: 300,000 shares, designated "Cumulative Preferred Stock, 4 1/2% Series, \$20 par value"; 325,000 shares, designated "Cumulative Preferred Stock, 4.40% Series, \$20 par value"; and 375,000 shares designated "Cumulative Preferred Stock, 4.60% Series, \$20 par value." Each series is entitled to dividends at the rate, is subject to redemption at the price and has the liquidating preferences, hereinafter set forth. All shares of Cumulative Preferred Stock purchased or redeemed by the Corporation shall be retired and cancelled and none of such shares shall thereafter be reissued.

2. Preference Stock (Cumulative):

Shares of the Preference Stock (Cumulative) may be issued in one or more series, and each series shall be distinguished from each other series by a serial or other distinctive designation. Each series shall be constituted of such number of shares and shall have such dividend rate, conversion rights, rights and terms of redemption

Exhibit A

(including sinking fund provisions), redemption prices and liquidation, as shall be fixed by the Board of Directors in the resolution or resolutions providing for the creation of such series, or every such series.

B. GENERAL VOTING RIGHTS

1. Cumulative Preferred Stock:

Except as hereinafter provided in Section C of Part 1 of this Article FIFTH or as otherwise required by law, the holders of shares of Cumulative Preferred Stock shall be entitled to two votes for each share of stock held by such holders on all questions upon which the holders of Common Stock are entitled to vote, and on any question as to which it is at the time provided by law that action may be taken on approval by vote of a specified percentage of the outstanding shares the vote of stockholders holding such specified percentage of the voting power shall also be required.

2. Preference Stock (Cumulative):

The holders of shares of Preference Stock (Cumulative) shall have no voting rights except as hereinafter provided in Section C of part I of this Article FIFTH or as otherwise required by law.

C. PROVISIONS APPLICABLE TO ALL SERIES OF SENIOR PREFERRED STOCK

1. Special Voting Rights:

The affirmative consent (given in writing or by vote at a meeting duly called for that purpose) of the holders of at least two-thirds of the aggregate number of shares of Senior Preferred Stock then outstanding shall be necessary in order to:

- a. Increase the authorized number of shares of Senior Preferred Stock or create or authorize any class of stock which shall be entitled to any preference over, or to parity with, the Senior Preferred Stock;
- b. Make any change in any of the provisions relative to the Senior Preferred Stock or any series thereof, which would change the express terms or provisions of such stock in any manner prejudicial to the holders thereof, except that if such change is prejudicial to the holders of one or more, but not all of such series, the consent of the holders of two-thirds of the total number of shares then outstanding of the series so affected shall be required; or
- c. Merge with or consolidate into any other corporation or corporations, provided that the provisions of this sub-paragraph c shall not apply to the merger of a wholly-owned subsidiary of the Corporation or to a purchase or other acquisition by the Corporation of franchises or assets of another corporation in any manner which does not involve a merger or consolidation.

For the purposes of this paragraph 1, the holders of the Cumulative Preferred Stock and the Preference Stock (Cumulative) shall vote and be referred to as one class and shall be entitled to one vote for each share of stock so held.

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Nothing in this paragraph 1 provided shall require the consent or vote of the holders of shares of any series of Senior Preferred Stock for the creation of any class of stock entitled to any preference over, or to parity with, such series of Senior Preferred Stock, as to dividend or assets, if the purpose of the creation thereof is, and the proceeds derived from the issue and sale thereof are to be used for, the redemption of all shares of such series of Senior Preferred Stock then outstanding.

If and whenever dividends accrued and unpaid on the outstanding Senior Preferred Stock, or any series thereof, equal or exceed an amount equivalent to eight full quarterly dividends on all shares of any series of the Senior Preferred Stock at the time outstanding, then until all dividends in default on the Senior Preferred Stock shall have been paid, or declared and set aside, the holders of the Senior Preferred Stock voting together as one class, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the holders of the Junior Stock entitled to vote with respect to the election of directors, voting separately from the Senior Preferred Stock, shall be entitled to elect the remaining members of the Board of Directors.

If and when all dividends theretofore in default on the Senior Preferred Stock shall be paid, or declared and set aside (and such dividends shall be declared and paid out of any funds legally available therefor, as soon as reasonably practicable) the holders of Senior Preferred Stock shall thereupon be divested of such special right to elect any members of the Board of Directors, but subject always to the same provisions for the vesting of special rights of the holders of the Senior Preferred Stock in case of further like default or defaults.

Whenever, under the provisions hereof, a change in the voting powers of the holders of the Senior Preferred Stock and Junior Stock shall have occurred, a meeting of the holders of such stock shall be held upon notice promptly given, as provided in the By-Laws of the Corporation for a special meeting of stockholders, by the President or the Secretary of the Corporation. If within fifteen days after the accrual or termination of such special right of the holders of the Senior Preferred Stock or Junior Stock, with respect to the election of directors, the President and the Secretary of the Corporation shall fail to call such meeting, (to be held on a date not more than thirty days after the mailing of the notice therefor), then such meeting shall be held upon notice as provided in the By-Laws for a special meeting of stockholders given by the holders of not less than one thousand shares of Senior Preferred Stock or Junior Stock after filing with the Corporation a notice of their intention to do so.

At all meetings of stockholders held for the purpose of electing directors, during such times as the holders of shares of the Senior Preferred Stock shall have the right to elect directors pursuant to the foregoing provisions, the presence in person or by proxy of the majority of the outstanding shares of all series of the Senior Preferred Stock entitled to vote shall be required to constitute a quorum for the election of such directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of the Junior Stock entitled to vote shall be required to constitute a quorum of the Junior Stock for the election of directors; provided, however, that the absence of a quorum of the holders of either stock shall not prevent the election at any such meeting, or an adjournment thereof, of directors by the other such stock if the necessary quorum of the holders of such other stock of such class is present in person or by proxy at such meeting; and provided further that in the absence of a quorum of the holders of either such stock, a majority of those holders of such stock who are present in person or by proxy shall have

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the power to adjourn the meeting for the election of the directors to be elected by such stock from time to time without notice, other than announcement at the meeting, until the requisite amount of holders of such stock shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date for the mailing of notice of the next annual meeting of stockholders or special meeting in lieu thereof.

Forthwith upon the election of a majority of the Board of Directors of the Corporation by the holders of Senior Preferred Stock pursuant to the foregoing provisions hereof, the terms of office of all persons who were directors of the Corporation immediately prior to such election shall terminate, whether or not holders of Junior Stock entitled to vote with the respect to the election of directors shall then have elected the remaining members of the Board of Directors, and if the holders of Junior Stock entitled to vote with respect to the election of directors shall not have elected the remaining members of the Board of Directors, then the directors so elected by the holders of Senior Preferred Stock shall constitute the Board of Directors pending such election of the remaining directors by such holders of Junior Stock. Upon the reversion pursuant to the foregoing provisions of the voting powers to their status prior to default, then forthwith, upon the election of new directors by the holders of all stock of the Corporation, the term of office of the directors elected by vote of the holders of Senior Preferred Stock shall forthwith terminate.

2. Dividends:

The holders of the Senior Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the surplus or net profits of the Corporation, cumulative dividends at the full cumulative rate and no more, payable quarterly at dates fixed by the Board of Directors, before any dividend shall be declared, set aside for, or paid upon the Junior Stock, but accumulations of dividends shall not bear interest. Dividends on the Senior Preferred Stock shall accrue from the date of issuance thereof.

3. Redemption provisions:

The Corporation, at the option of the Board of Directors, may redeem at any time or times or from time to time the whole or any part of the Senior Preferred Stock, or the whole or any part of any series thereof at the time outstanding at such price or prices as shall have been fixed as being payable in case of redemption in respect thereof, together with the amount of any dividends accrued or unpaid thereon to the date of redemption.

At least thirty days' previous notice of every such redemption of Senior Preferred Stock shall be mailed, addressed to the holders of record of the shares to be redeemed at their respective addresses, as the same shall appear on the books of the Corporation, or in any case where no such address shall appear, then addressed to such stockholder at the principal office of the Corporation, but the failure to mail such notice as aforesaid shall not invalidate the redemption of the shares so redeemed.

Unless the certificate setting forth the preferences fixed by the Board of Directors for any series shall otherwise provide, in the case of a redemption of a part only of any series of the Senior Preferred Stock at any time outstanding the Corporation shall select by lot the shares of such series so to be redeemed. Subject to the limitations and provisions herein contained, the Board of Directors shall have full power and authority to prescribe the manner in which the selection by lot shall be made.

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If notice of redemption shall have been given by mail as herein above provided and the Corporation shall, on or prior to the date fixed for redemption, deposit in trust, for the benefit of the holders of the Senior Preferred Stock to be redeemed, with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of California, and doing business in the City of San Diego, California, or in the City of Los Angeles, California, a sum sufficient to redeem the shares called for redemption, together with irrevocable written instructions and authority to such bank or trust company, on behalf of the Corporation, to pay on or after the time of making such deposit, to the respective holders of all such shares, the redemption price thereof, together with accrued dividends, upon the surrender for cancellation of the certificates representing such shares, then from and after the date of such deposit (although prior to the date fixed for redemption) notwithstanding that any certificate for the shares of Senior Preferred Stock so called for redemption shall not have been surrendered for cancellation, all shares of Senior Preferred Stock with respect to which such deposit shall have been made shall no longer be deemed to be outstanding, and all rights with respect to such shares of Senior Preferred Stock shall cease and terminate except only the right of the holders thereof to receive from such bank or trust company, at any time after the time of the making of such deposit, the redemption price of such shares so to be redeemed, together with accrued dividends, in the case of each share to be so redeemed, to the date fixed for redemption, but without interest thereon. Any moneys so deposited by the Corporation and unclaimed at the end of six years from the dated fixed for such redemption shall be repaid to the Corporation upon its request expressed in a resolution of its Board of Directors after which repayment the holders of the shares so called for redemption shall look only to the Corporation for the payment thereof.

4. Rights on Liquidation, Dissolution or Winding Up of the Corporation:

In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of shares of the Senior Preferred Stock of the Corporation shall be entitled to be paid in full, out of the assets of the Corporation, without priority between series, the respective liquidation price (for voluntary or involuntary liquidation) fixed for each series, plus all accrued and unpaid dividends thereon to the date of such liquidation, dissolution or winding up of the Corporation prior to any payment or distribution of any assets of the Corporation to the holders of the Junior Stock.

D. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 5% SERIES, \$20 PAR VALUE, BEING THE INITIAL SERIES.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 5% Series, \$20 par value, shall be 5% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

The voluntary liquidation price of the Cumulative Preferred Stock, 5% Series, \$20 par value, shall be \$24 per share, and the involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

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The redemption price of the Cumulative Preferred Stock, 5% Series, \$20 par value, shall be \$24 per share.

E. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 4 ½% SERIES, \$20 PAR VALUE.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 4 ½% Series, \$20 par value, shall be 4 ½% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

The voluntary liquidation price of the Cumulative Preferred Stock, 4 ½% Series, \$20 par value, shall be \$21.20 per share, and the involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

The redemption price of the Cumulative Preferred Stock, 4 ½% Series, \$20 par value, shall be \$21.20 per share.

F. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 4.40% SERIES, \$20 PAR VALUE.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 4.40% Series, \$20 par value, shall be 4.40% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

The voluntary liquidation price of the Cumulative Preferred Stock, 4.40% Series, \$20 par value, shall be \$21 per share, and the involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

The redemption price of the Cumulative Preferred Stock, 4.40% Series, \$20 par value, shall be \$21 per share.

G. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 4.60% SERIES, \$20 PAR VALUE.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 4.60% Series, \$20 par value, shall be 4.60% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

Exhibit A

The voluntary liquidation price of the Cumulative Preferred Stock, 4.60% Series, \$20 par value, shall be \$21 per share to and including January 15, 1973, \$20.75 per share thereafter and to and including January 15, 1978, and \$20.25 per share thereafter. The involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

The redemption price of the Cumulative Preferred Stock, 4.60% Series, \$20 par value, shall be \$21 per share if redeemed to and including January 15, 1973, \$20.75 per share if redeemed thereafter and to and including January 15, 1978, and \$20.25 per share if redeemed thereafter.

II. SERIES PREFERENCE STOCK

A. ISSUANCE IN SERIES

Shares of Series Preference Stock may be issued from time to time in one or more series as determined by the Board of Directors of the Corporation which is hereby authorized, within the limitations and restrictions stated herein, to fix or alter, from time to time, the rights, preferences, privileges, and restrictions granted to or upon and the number of shares and distinctive designations of each such series while wholly unissued and to increase or decrease the number of shares of any such series subsequent to the issue of shares thereof, but not below the number of such shares then outstanding.

B. PRIORITY RESTRICTION

No shares of Series Preference Stock of any series shall be entitled to any preference over, or to parity with, the Senior Preferred Stock.

III. COMMON STOCK

A. Voting Rights:

The holders of shares of Common Stock shall be entitled to one vote for each share of stock held by such holders on all questions upon which they are entitled to vote in accordance with the law, except as otherwise provided in part 1 of this Article FIFTH or in respect of Series Preference Stock.

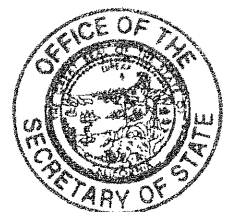
B. Dividends:

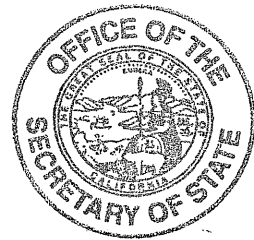
The Board of Directors may declare, and the Corporation may pay, dividends upon the Common Stock (in each case subject to compliance of any preferential, participation or other rights with respect to dividends conferred upon the holders of Series Preference Stock) provided that dividends upon the Senior Preferred Stock with all accumulations, up to the beginning of the respective current quarter-yearly dividend period shall have been declared and shall have been paid in full, or a sum sufficient for the payment thereof shall have been set aside for that purpose and a sum equal to all other unpaid accrued dividends upon the Senior Preferred Stock shall have been set aside in a reserve for accrued dividends.

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C. Rights on Liquidation:

Upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, and after all payments of the full preferential amounts, on liquidation, dissolution, or winding up, to the holders of the Senior Preferred Stock as may be at the time outstanding, the holders of the Common Stock shall be entitled (subject to the compliance with any preferential or other rights with respect to liquidation, dissolution or winding-up conferred upon the holders of Series Preference Stock) to share ratably in all assets of the Corporation remaining after such payment to the exclusion of all other classes of stock.





SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 35 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUL 20 2001

Secretary of State



FILED
In the office of the Secretary of State
of the State of California

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**RESTATED ARTICLES OF INCORPORATION
OF
SAN DIEGO GAS & ELECTRIC COMPANY**
(As amended through April 26, 1994)

Tony Miller
Acting Secretary of State

T. A. Page and N. A. Peterson certify that:

1. They are the Chairr an of the Board and Secretary, respectively of SAN DIEGO GAS & ELECTRIC COMPANY.

2. The Articles of Incorporation of the Corporation are restated to read as follows:

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, a majority of whom are citizens and residents of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of California.

AND WE HEREBY CERTIFY:

FIRST: That the name of the Corporation shall be SAN DIEGO GAS & ELECTRIC COMPANY.

SECOND: This Corporation elects to be governed by all of the provisions of the General Corporation Law of 1977 not otherwise applicable to it under Chapter 23 thereof. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THIRD: That the place where the principal business of said Corporation is to be transacted is the City of San Diego, County of San Diego, State of California.

FOURTH: That said Corporation shall have perpetual existence.

FIFTH: The total number of shares which the Corporation shall have authority to issue shall be 266,375,000. The Corporation is authorized to issue three classes of stock, designated, respectively, "Cumulative Preferred Stock," "Preference Stock (Cumulative)," and "Common Stock." The number of shares of Cumulative Preferred Stock which the Corporation is authorized to issue is 1,375,000, each of the par value of \$20. The number of shares of Preference Stock (Cumulative) the Corporation is authorized to issue is 10,000,000, each without par value. The number of shares of Common Stock which the Corporation is authorized to issue is 255,000,000 each without par value.

I. PREFERRED STOCK

A. ISSUANCE IN SERIES.

1. Cumulative Preferred Stock:

The Cumulative Preferred Stock has been issued in series. The initial series of Cumulative Preferred Stock consists of 375,000 shares, designated "Cumulative Preferred Stock, 5% Series, \$20 par value." The remaining series consist of the following: 300,000 shares, designated "Cumulative Preferred Stock, 4 1/2% Series, \$20 par value"; 325,000 shares, designated "Cumulative Preferred Stock, 4.40% Series, \$20 par value"; and 375,000 shares, designated "Cumulative Preferred Stock, 4.60% Series, \$20 par value." Each series is entitled to dividends at the rate, is subject to redemption at the price and has the liquidating preferences, hereinafter set forth. All shares of Cumulative

Preferred Stock purchased or redeemed by the Corporation shall be retired and cancelled and none of such shares shall thereafter be reissued.

2. Preference Stock (Cumulative):

Shares of the Preference Stock (Cumulative) may be issued in one or more series, and each series shall be distinguished from each other series by a serial or other distinctive designation. Each series shall be constituted of such number of shares and shall have such dividend rate, conversion rights, rights and terms of redemption (including sinking fund provisions), redemption prices and liquidation, as shall be fixed by the Board of Directors in the resolution or resolutions providing for the creation of such series, or every such series.

B. GENERAL VOTING RIGHTS.

1. Cumulative Preferred Stock:

Except as hereinafter provided in Section C of Part I of this Article FIFTH or as otherwise required by law, the holders of shares of Cumulative Preferred Stock shall be entitled to two votes for each share of stock held by such holders on all questions upon which the holders of Common Stock are entitled to vote, and on any question as to which it is at the time provided by law that action may be taken on approval by vote of a specified percentage of the outstanding shares: the vote of stockholders holding such specified percentage of the voting power shall also be required.

2. Preference Stock (Cumulative):

The holders of shares of Preference Stock (Cumulative) shall have no voting rights except as hereinafter provided in Section C of part I of this Article FIFTH or as otherwise required by law.

C. PROVISIONS APPLICABLE TO ALL SERIES OF PREFERRED STOCK.

1. Special Voting Rights:

The affirmative consent (given in writing or by vote at a meeting duly called for that purpose) of the holders of at least two-thirds of the aggregate number of shares of Cumulative Preferred Stock and Preference Stock (Cumulative), hereinafter collectively referred to as "Preferred Stock", then outstanding shall be necessary in order to:

- a. Increase the authorized number of shares of Preferred Stock or create or authorize any class of stock which shall be entitled to any preference over, or to parity with, the Preferred Stock;
- b. Make any change in any of the provisions relative to the Preferred Stock or any series thereof, which would change the express terms or provisions of such stock in any manner prejudicial to the holders thereof, except that if such change is prejudicial to the holders of one or more, but not all of such series, the consent of the holders of two-thirds of the total number of shares then outstanding of the series so affected shall be required; or
- c. Merge with or consolidate into any other corporation or corporations, provided that the provisions of this sub-paragraph c shall not apply to the merger of a wholly-owned subsidiary of the Corporation or to a purchase or other acquisition by the Corporation of franchises or assets of another corporation in any manner which does not involve a merger or consolidation.

For the purposes of this paragraph 1, the holders of the Preferred Stock shall vote and be referred to as one class and shall be entitled to one vote for each share of stock so held.

Nothing in this paragraph provided shall require the consent or vote of the holders of shares of any series of Preferred Stock for the creation of any class of stock entitled to any preference over, or to parity with, such series of Preferred Stock, as to dividend or assets, if the purpose of the creation thereof is, and the proceeds derived from the issue and sale thereof are to be used for, the redemption of all shares of such series of Preferred Stock then outstanding.

If and whenever dividends accrued and unpaid on the outstanding Preferred Stock, or any series thereof, equal or exceed an amount equivalent to eight full quarterly dividends on all shares of any series of the Preferred Stock at the time outstanding, then until all dividends in default on the Preferred Stock shall have been paid, or declared and set aside, the holders of the Preferred Stock voting together as one class, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and the holders of the Common Stock, voting separately as a class, shall be entitled to elect the remaining members of the Board of Directors.

If and when all dividends theretofore in default on the Preferred Stock shall be paid, or declared and set aside (and such dividends shall be declared and paid out of any funds legally available therefor, as soon as reasonably practicable) the holders of Preferred Stock shall thereupon be divested of such special right to elect any members of the Board of Directors, but subject always to the same provisions for the vesting of special rights of the holders of the Preferred Stock in case of further like default or defaults.

Whenever, under the provisions hereof, a change in the voting powers of the holders of the Preferred Stock and Common Stock shall have occurred, a meeting of the holders of such stock shall be held upon notice promptly given, as provided in the By-Laws of the Corporation for a special meeting of stockholders, by the President or the Secretary of the Corporation. If within fifteen days after the accrual or termination of such special right of the holders of the Preferred Stock or Common Stock, with respect to the election of directors, the President and the Secretary of the Corporation shall fail to call such meeting, (to be held on a date not more than thirty days after the mailing of the notice therefor), then such meeting shall be held upon notice as provided in the By-Laws for a special meeting of stockholders given by the holders of not less than one thousand shares of Preferred Stock or Common Stock after filing with the Corporation a notice of their intention to do so.

At all meetings of stockholders held for the purpose of electing directors, during such times as the holders of shares of the Preferred Stock shall have the right to elect directors pursuant to the foregoing provisions, the presence in person or by proxy of the majority of the outstanding shares of all series of the Preferred Stock entitled to vote shall be required to constitute a quorum of such combined class for the election of such directors, and the presence in person or by proxy of the holders of a majority of the outstanding shares of the Common Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that the absence of a quorum of the holders of either such class shall not prevent the election at any such meeting, or an adjournment thereof, or directors by the other such class if the necessary quorum of the holders of stock of such class is present in person or by proxy at such meeting; and provided further that in the absence of a quorum of the holders of stock of either of such class, a majority of those holders of the stock of such class who are present in person or by proxy shall have the power to adjourn the meeting for the election of the directors to be elected by such class from time to time without notice, other than announcement at the meeting, until the requisite amount of holders of such class shall be present in person or by proxy, but such adjournment shall not be made to a date beyond the date for the mailing of notice of the next annual meeting of stockholders or special meeting in lieu thereof.

Forthwith upon the election of a majority of the Board of Directors of the Corporation by the holders of Preferred Stock pursuant to the foregoing provisions hereof, the terms of office of all persons who were directors of the Corporation immediately prior to such election shall terminate, whether or not holders of Common Stock entitled to vote shall then have elected the remaining members of the Board of Directors, and if the holders of Common Stock entitled to vote shall not

have elected the remaining members of the Board of Directors, then the directors so elected by the holders of Preferred Stock shall constitute the Board of Directors pending such election of the remaining directors by such holders of Common Stock. Upon the reversion pursuant to the foregoing provisions of the voting powers to their status prior to default, then forthwith, upon the election of new directors by the holders of all stock of the Corporation, the term of office of the directors elected by vote of the holders of Preferred Stock shall forthwith terminate.

2. Dividends:

The holders of the Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the surplus or net profits of the Corporation, cumulative dividends at the full cumulative rate and no more, payable quarterly at dates fixed by the Board of Directors, before any dividend shall be declared, set aside for, or paid upon the Common Stock, but accumulations of dividends shall not bear interest. Dividends on the Preferred Stock shall accrue from the date of issuance thereof.

3. Redemption provisions:

The Corporation, at the option of the Board of Directors, may redeem at any time or times or from time to time the whole or any part of the Preferred Stock, or the whole or any part of any series thereof at the time outstanding at such price or prices as shall have been fixed as being payable in case of redemption in respect thereof, together with the amount of any dividends accrued or unpaid thereon to the date of redemption.

At least thirty days' previous notice of every such redemption of Preferred Stock shall be mailed, addressed to the holders of record of the shares to be redeemed at their respective addresses, as the same shall appear on the books of the Corporation, or in any case where no such address shall appear, then addressed to such stockholder at the principal office of the Corporation, but the failure to mail such notice as aforesaid shall not invalidate the redemption of the shares so redeemed.

Unless the certificate setting forth the preferences fixed by the Board of Directors for any series shall otherwise provide, in the case of a redemption of a part only of any series of the Preferred Stock at any time outstanding the Corporation shall select by lot the shares of such series so to be redeemed. Subject to the limitations and provisions herein contained, the Board of Directors shall have full power and authority to prescribe the manner in which the selection by lot shall be made.

If notice of redemption shall have been given by mail as herein above provided and the Corporation shall, on or prior to the date fixed for redemption, deposit in trust, for the benefit of the holders of the Preferred Stock to be redeemed, with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of California, and doing business in the City of San Diego, California, or in the City of Los Angeles, California, a sum sufficient to redeem the shares called for redemption, together with irrevocable written instructions and authority to such bank or trust company, on behalf of the Corporation, to pay on or after the time of making such deposit, to the respective holders of all such shares, the redemption price thereof, together with accrued dividends, upon the surrender for cancellation of the certificates representing such shares, then from and after the date of such deposit (although prior to the date fixed for redemption) notwithstanding that any certificate for the shares of Preferred Stock so called for redemption shall not have been surrendered for cancellation, all shares of Preferred Stock with respect to which such deposit shall have been made shall no longer be deemed to be outstanding, and all rights with respect to such shares of Preferred Stock shall cease and terminate except only the right of the holders thereof to receive from such bank or trust company, at any time after the time of the making of such deposit, the redemption price of such shares so to be redeemed, together with accrued dividends, in the case of each share to be so redeemed, to the date fixed for redemption, but without interest thereon. Any moneys so deposited by the Corporation and unclaimed at the end of

six years from the date fixed for such redemption shall be repaid to the Corporation upon its request expressed in a resolution of its Board of Directors after which repayment the holders of the shares so called for redemption shall look only to the Corporation for the payment thereof.

4. Rights on Liquidation, Dissolution or Winding Up of the Corporation:

In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of shares of the Preferred Stock of the Corporation shall be entitled to be paid in full, out of the assets of the Corporation, without priority between series, the respective liquidation price (for voluntary or involuntary liquidation) fixed for each series, plus all accrued and unpaid dividends thereon to the date of such liquidation, dissolution or winding up of the Corporation prior to any payment or distribution of any assets of the Corporation to the holders of the Common Stock.

D. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 5% SERIES, \$20 PAR VALUE, BEING THE INITIAL SERIES.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 5% Series, \$20 par value, shall be 5% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

The voluntary liquidation price of the Cumulative Preferred Stock, 5% Series, \$20 par value, shall be \$24 per share, and the involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

The redemption price of the Cumulative Preferred Stock, 5% Series, \$20 par value, shall be \$24 per share.

E. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 4½% SERIES, \$20 PAR VALUE.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 4½% Series, \$20 par value, shall be 4½% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

The voluntary liquidation price of the Cumulative Preferred Stock, 4½% Series, \$20 par value, shall be \$21.20 per share, and the involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

The redemption price of the Cumulative Preferred Stock, 4½% Series, \$20 par value, shall be \$21.20 per share.

F. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 4.40% SERIES, \$20 PAR VALUE.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 4.4% Series, \$20 par value, shall be 4.40% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

The voluntary liquidation price of the Cumulative Preferred Stock, 4.40% Series, \$20 par value, shall be \$21 per share, and the involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

The redemption price of the Cumulative Preferred Stock, 4.40% Series, \$20 par value, shall be \$21 per share.

G. PROVISIONS RELATING TO THE CUMULATIVE PREFERRED STOCK, 4.60% SERIES, \$20 PAR VALUE.

1. Dividend Rate:

The dividend rate on the Cumulative Preferred Stock, 4.60% Series, \$20 par value, shall be 4.60% of the par value thereof per annum.

2. Liquidation Price, Voluntary and Involuntary:

The voluntary liquidation price of the Cumulative Preferred Stock, 4.60% Series, \$20 par value, shall be \$21 per share to and including January 15, 1973, \$20.75 per share thereafter and to and including January 15, 1978, and \$20.25 per share thereafter. The involuntary liquidation price shall be \$20 per share.

3. Redemption Price:

The redemption price of the Cumulative Preferred Stock, 4.50% Series, \$20 par value, shall be \$21 per share if redeemed to and including January 15, 1973, \$20.75 per share if redeemed thereafter and to and including January 15, 1978, and \$20.25 per share if redeemed thereafter.

II. COMMON STOCK

A. Voting Rights:

The holders of shares of Common Stock shall be entitled to one vote for each share of stock held by such holders on all questions upon which they are entitled to vote in accordance with the law, except as otherwise provided in part I of this Article FIFTH.

B. Dividends:

The Board of Directors may declare, and the Corporation may pay, dividends upon the Common Stock providing the dividends upon the Cumulative Preferred Stock and Preference Stock (Cumulative) with all accumulations, up to the beginning of the respective current quarter-yearly dividend period shall have been declared and shall have been paid in full, or a sum sufficient for the payment thereof shall have been set aside for that purpose and a sum equal to all other unpaid accrued dividends upon the Cumulative

Preferred Stock and Preference Stock (Cumulative) shall have been set aside in a reserve for accrued dividends.

C. Rights on Liquidation:

Upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, and after all payments of the full preferential amounts, on liquidation, dissolution, or winding up, to the holders of the Cumulative Preferred Stock and Preference Stock (Cumulative) as may be at the time outstanding, the holders of the Common Stock shall be entitled to share ratably in all assets of the Corporation remaining after such payment to the exclusion of all other classes of stock.

SIXTH: Fair Price.

A. REQUIRED SHAREHOLDER VOTE FOR CERTAIN TRANSACTIONS.

Unless all of the conditions set forth in either Subsection 1 or 2 of Section B of this Article have been fulfilled, any agreement, contract, transaction or other arrangement providing for or resulting in a Business Combination must be approved by the affirmative vote of two-thirds of the number of shares of common stock outstanding at the time voting as a separate class. Such affirmative vote shall be required, notwithstanding the fact that no vote may be required by law or these articles or that a lesser percentage, different, or additional vote may be specified by law, these articles, or in any agreement with any national securities exchange or otherwise, in which case each vote requirement shall be satisfied individually.

B. EXCEPTIONS.

Section A of this Article shall not apply to any Business Combination if the conditions specified in either Subsection 1 or 2 below are met.

1. The Business Combination shall have been approved by a resolution adopted by two-thirds of the authorized directors of this Corporation, or
2. All of the following conditions have been met:
 - a. Any consideration to be received for any stock as a result of the Business Combination shall be in cash or in the same form as a Dominant Shareholder has previously paid for shares of that class. If varying forms of consideration have been used, the form of consideration shall be the form used to acquire the largest number of shares of the class receiving consideration.
 - b. The aggregate amount of cash and the fair market value of any other form of consideration shall, on a per share basis, at least equal the Highest Purchase Price paid by a Dominant Shareholder for shares of the same class.
 - c. "Highest Purchase Price" shall mean the highest amount of consideration paid by a Dominant Shareholder at any time within two years prior to the date of becoming a Dominant Shareholder and during any time while having the status of Dominant Shareholder, provided, however, that the Highest Purchase Price shall be appropriately adjusted to reflect the occurrence of any reclassification, recapitalization, stock split, reverse stock split or other readjustment to the number of outstanding shares of stock in a class, or the payment of a stock dividend thereon occurring between the last date upon which such Dominant Shareholder paid the Highest Purchase Price and the effective date of the Business Combination.
 - d. After such Dominant Shareholder has become a Dominant Shareholder and prior to the consummation of such Business Combination:

(1) There shall have been no failure to declare and pay in full at the regular rate any periodic dividends on any outstanding preferred stock unless such failure is approved by two-thirds of the authorized directors of the Corporation;

(2) There shall have been no reduction in the annual rate of dividends, if any, paid on common shares (such rate to be appropriately adjusted to reflect the occurrence of any reclassification, reverse stock split, recapitalization, reorganization or other similar transaction having the effect of changing the number of outstanding common shares) unless such reduction is approved by two-thirds of the authorized directors of the Corporation; and

(3) Neither a Dominant Shareholder nor an affiliate thereof shall have become the beneficial owner of any additional shares of voting stock of the Corporation except as part of the transaction which resulted in the Dominant Shareholder becoming a Dominant Shareholder, as a result of a transaction resulting from a pro rata recapitalization, or as a result of a transaction which has been approved by a resolution adopted by two-thirds of the authorized Board of Directors.

3. Definitions.

a. Affiliate means: a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, a specified person.

b. Beneficial Ownership means: holding the right to vote pursuant to any agreement, arrangement, or understanding; having the right to acquire pursuant to any agreement, arrangement, understanding, option, right, warrant or right of conversion; ownership by an Affiliate or by an officer, director, or employee of a Dominant Shareholder or any Affiliate thereof.

c. Business combination means: (1) a merger or consolidation of the Corporation or any subsidiary with a Dominant Shareholder or with any other corporation or entity which is, or after such merger or consolidation would be, an Affiliate of a Dominant Shareholder; (2) the sale, lease, exchange, pledge, transfer or other disposition by the Corporation, or a subsidiary, of assets exceeding 10 percent of the total assets of the Corporation in a transaction or series of transactions in which a Dominant Shareholder is either a party or has an interest; (3) the issuance, sale, exchange, disposition or other transfer by this Corporation, or any subsidiary, in one transaction or a series of transactions, of any securities of this Corporation, or any subsidiary, to any Dominant Shareholder or any Affiliate of any Dominant Shareholder in exchange for cash, securities or other property having an aggregate fair market value in excess of \$200,000,000.00; (4) any reclassification of securities, any reverse stock split, or any recapitalization of the Corporation or any other transaction which has the effect, directly or indirectly, of increasing the proportionate portion or voting power of the outstanding shares of any class of equity or convertible securities, or otherwise increasing the voting power over the Corporation or any subsidiary by any class of equity or convertible securities which are directly or indirectly owned by any Dominant Shareholder or any Affiliate of any Dominant Shareholder.

d. Dominant Shareholder means: any Person (except this Corporation, any Subsidiary of this Corporation, and any Saving, Pension, TRAESOP or other benefit plan of this Corporation or any fiduciary, trustee or custodian thereof acting in such a capacity) who is the Beneficial Owner, directly or indirectly, of more than 10 percent (10%) but less than 99 percent (99%) of the shares of the Corporation having the power to vote for the Board of Directors. The relevant time for calculating this percentage shall be each date on which any approval (board, shareholder, governmental, or any other) necessary to complete any agreement, contract, transaction or other arrangement providing for or resulting in a Business Combination is obtained.

e. **Persons** means: any individual, group, partnership, association, firm, corporation or other entity.

f. **Subsidiary** means: any corporation in which this Corporation beneficially owns at least a majority of any class of stock having the right to vote for directors.

4. The Board of Directors by a majority vote of the Authorized Directors shall have the right to make any determinations required under this Article.

5. To amend or repeal, or adopt any provisions inconsistent with this Article, there shall be required the affirmative vote of two-thirds of the number of shares of common stock outstanding at the time voting as a separate class. Such affirmative vote shall be required, notwithstanding the fact that no vote may be required by law or these articles or that a lesser percentage, different, or additional vote may be specified by law, these articles, or in any agreement with any national securities exchange or otherwise, in which case each vote requirement shall be satisfied individually.

SEVENTH:

A. LIMITATION OF DIRECTORS' LIABILITY.

The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

B. INDEMNIFICATION OF CORPORATE AGENTS.

The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code.

EIGHTH: CERTIFICATE OF DETERMINATION OF PREFERENCES OF PREFERENCE STOCK (CUMULATIVE), \$7.20 SERIES, WITHOUT PAR VALUE: The Certificate of Determination of Preferences of Preference Stock (Cumulative), \$7.20 Series, Without Par Value, which is attached hereto as Exhibit A is hereby incorporated by reference as Article Eighth of these Articles of Incorporation.

NINTH: CERTIFICATE OF DETERMINATION OF PREFERENCE STOCK (CUMULATIVE), \$2.0625 SERIES, WITHOUT PAR VALUE: The Certificate of Determination of Preference Stock (Cumulative), \$2.0625 Series, Without Par Value, which is attached hereto as Exhibit B is hereby incorporated by reference as Article Ninth of these Articles of Incorporation.

TENTH: CERTIFICATE OF AMENDMENT OF CERTIFICATE OF DETERMINATION: The Certificate of Amendment of Certificate of Determination, amending the designation of the Preference Stock (Cumulative), \$2.0625 Series, Without Par Value, to the Preference Stock (Cumulative), \$1.7625 Series, Without Par Value, which is attached hereto as Exhibit C is hereby incorporated by reference as Article Tenth of these Articles of Incorporation.

ELEVENTH: CERTIFICATE OF DETERMINATION OF PREFERENCES OF PREFERENCE STOCK (CUMULATIVE), \$1.70 SERIES, WITHOUT PAR VALUE: The Certificate of Determination of Preferences of Preference Stock (Cumulative), \$1.70 Series, Without Par Value, which is attached hereto as Exhibit D is hereby incorporated by reference as Article Eleventh of these Articles of Incorporation.

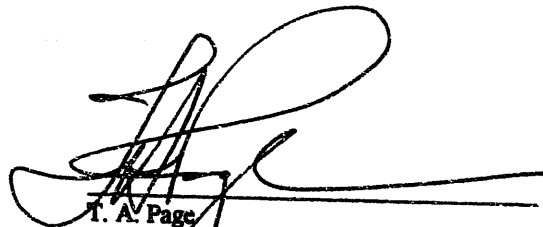
TWELFTH: CERTIFICATE OF DETERMINATION OF PREFERENCES OF PREFERENCE STOCK (CUMULATIVE), \$1.82 SERIES, WITHOUT PAR VALUE: The Certificate of Determination of Preferences

of Preference Stock (Cumulative), \$1.82 Series, Without Par Value, which is attached hereto as Exhibit E is hereby incorporated by reference as Article Twelfth of these Articles of Incorporation.

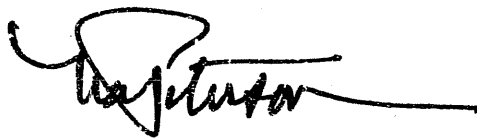
3. This restatement of Articles of Incorporation does not itself alter or amend the Articles of Incorporation in any respect and has been duly approved by the Board of Directors by resolution dated April 26, 1994.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: April 26, 1994



T. A. Page
Chairman of the Board of
San Diego Gas & Electric Company



N. A. Peterson
Secretary of
San Diego Gas & Electric Company

EXHIBIT A

A119791

42570

FILED

In the office of the Secretary of State
of the State of California

MAR 20 1972

SAN DIEGO GAS & ELECTRIC COMPANY EDWARD G. BROWN, Jr. Secretary of State

By Keith Holden
Deputy

CERTIFICATE OF

DETERMINATION OF PREFERENCES OF PREFERENCE STOCK (CUMULATIVE).

\$ 7.20 SERIES, WITHOUT PAR VALUE

The undersigned, W. A. ZITLAU, President, and J. A. GRAHAM, Secretary, of SAN DIEGO GAS & ELECTRIC COMPANY, a corporation organized under the laws of the State of California, and having its office and principal place of business in the City of San Diego, County of San Diego, State of California, do hereby certify that:

1. On Monday, March 13, 1972, at 1:00 o'clock p.m., a special meeting of the Board of Directors of this corporation was duly held in its principal office at 101 Ash Street, San Diego, California. A quorum of said Board was at all times present and acting at said meeting. Pursuant to Article Sixth of this Corporation's Articles of Incorporation, as amended, the following resolution was duly adopted by the unanimous vote of the members present:

RESOLVED, that one hundred fifty thousand (150,000) shares of this corporation's unissued Preference Stock (Cumulative) shall constitute a series designated "Preference Stock (Cumulative), \$7.20 Series, without par value"; that the dividend rate of such shares shall be \$7.20 per annum; that such shares shall have no conversion rights; that the redemption prices of such shares shall be: \$107.50 per share if redeemed to and including March 31, 1977, \$105.00 per share if redeemed thereafter and to and including March 31, 1982, \$102.50 per share if redeemed thereafter and to and including March 31, 1987, and \$101.00 per share if redeemed thereafter, provided that none of such shares shall be redeemed prior to April 1, 1977, for the purpose or in anticipation of refunding any such shares through the sale of Common Stock or through the use of borrowed funds or of proceeds raised from the issue of stock ranking senior to Common Stock if the effective cost of money to the Company of such borrowing or such stock issue (computed in accordance with generally accepted financial practice) is below 7.20% per annum; that the involuntary liquidation price of such shares shall be \$100.00 per share; and that the voluntary liquidation prices of such shares shall be the same as the respective redemption prices therefor.

2. The total number of shares of Preference Stock (Cumulative) which this corporation is authorized to issue

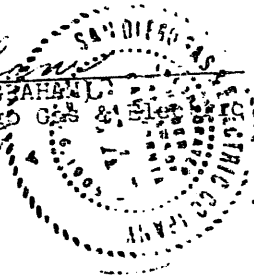
IN WITNESS WHEREOF, the undersigned have hereunto subscribed their names and caused the corporate seal of SAN DIEGO GAS & ELECTRIC COMPANY to be affixed this 13th day of March, 1972.

W. A. Zittlau

(W. A. ZITLAU)
President of San Diego Gas & Electric Company

J. A. Graham

(J. A. GRAHAM)
Secretary of San Diego Gas & Electric Company



Each of the undersigned declares under penalty of perjury that the matters set forth in the foregoing certificate are true and correct.

Executed at San Diego, California, on March 13, 1972.

W. A. Zittlau

W. A. ZITLAU

J. A. Graham

J. A. GRAHAM

EXHIBIT B

A423329

ENDORSED
FILED
in the Office of the Secretary of State
of the State of California

SAN DIEGO GAS & ELECTRIC COMPANY

CERTIFICATE OF DETERMINATION
OF PREFERENCE STOCK (CUMULATIVE),
\$2.0625 SERIES, WITHOUT PAR VALUE

SEP 28 1992

MADE IN THE U.S.A. and State

The undersigned, J. E. Thomas, President, and D. M. Richardson, Secretary, of SAN DIEGO GAS & ELECTRIC COMPANY, a corporation organized under the laws of the State of California, and having its office and principal place of business in the City of San Diego, County of San Diego, State of California, do hereby certify that:

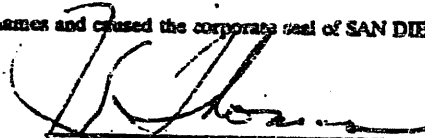
1. On September 24, 1992, a special meeting of the Executive Committee of the Board of Directors of this corporation was duly held in its principal office at 101 Ash Street, San Diego, California. A quorum of said Committee was at all times present and acting as said meeting. Pursuant to Article FIFTH of this corporation's Restated Articles of Incorporation, as amended, and the authority vested in the Executive Committee by the Board of Directors on February 24, 1992, the following resolution was duly adopted by the unanimous vote of the Executive Committee members present:

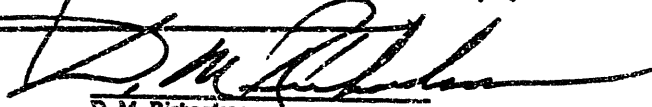
RESOLVED, that one million four hundred thousand (1,400,000) shares of this Corporation's unissued Preference Stock (Cumulative), without par value, shall constitute a series designated "Preference Stock (Cumulative), \$2.0625 Series, Without Par Value"; that the dividend rate of such shares shall be \$2.0625 per annum; that such shares shall have no sinking fund or conversion right; that none of the shares shall be redeemable prior to November 1, 1997; and the redemption price of such shares shall be \$27.50 per share if reissued thereafter; provided that none of such shares shall be redeemed prior to December 1, 1997, for the purpose of or in anticipation of refunding any such shares through the use of borrowed funds or of proceeds raised from the issue of stock ranking on a parity with, or senior to, such shares, if the effective cost of money to this corporation of such borrowing or such stock issue (computed in accordance with generally accepted financial practice) is below 7.78% per annum; that the involuntary liquidation price of such shares shall be \$25.00 per share; that the voluntary liquidation price of such shares shall be the same as the redemption price therefor on the date of voluntary liquidation; and that the rights, preferences, restrictions and privileges expressly set forth in this Corporation's Restated Articles of Incorporation, as amended, with respect to Preference Stock (Cumulative) are hereby incorporated by this reference.

2. The total number of shares of Preference Stock (Cumulative) which this corporation is authorized to issue is ten million (10,000,000) and the total number of shares constituting the series designated "Preference Stock (Cumulative), \$2.0625 Series, Without Par Value" is one million four hundred thousand (1,400,000) and none of the shares of said series have been issued.

IN WITNESS WHEREOF, the undersigned have subscribed their names and caused the corporate seal of SAN DIEGO GAS & ELECTRIC COMPANY to be affixed this 24 day of September, 1992.

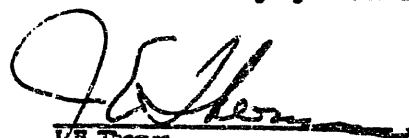
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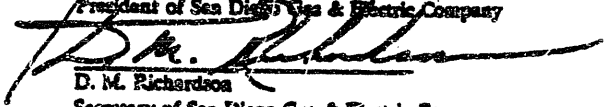

J. E. Thomas
President of San Diego Gas & Electric Company


D. M. Richardson
Secretary of San Diego Gas & Electric Company

Each of the undersigned declares under penalty of perjury that the matters set forth in the foregoing certificate are true and correct.

Executed at San Diego, California, on September 24 1992.


J. E. Thomas
President of San Diego Gas & Electric Company


D. M. Richardson
Secretary of San Diego Gas & Electric Company

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF DETERMINATION

DEC. 2 1992

MAGN FONG EU, Secretary of State

The undersigned, J. E. Thomas, President, and D. M. Richardson, Secretary, of SAN DIEGO GAS & ELECTRIC COMPANY, a corporation organized under the laws of the State of California, and having its office and principal place of business in the City of San Diego, County of San Diego, State of California, do hereby certify that:

1. On December 2, 1992, a special meeting of the Executive Committee of the Board of Directors of this corporation was duly held in its principal office at 101 Ash Street, San Diego, California. A quorum of said Committee was at all times present and acting at said meeting. Pursuant to Article FIFTH of this corporation's Restated Articles of Incorporation, as amended, and the authority vested in the Executive Committee by the Board of Directors on February 24, 1992, the following resolution was duly adopted by the unanimous vote of the Executive Committee members present:

NOW, THEREFORE, BE IT RESOLVED, that this Executive Committee of the Board does hereby amend the designation of the Preference Stock (Cumulative), \$2.0625 Series, Without Par Value, to be as follows: "Preference Stock (Cumulative), \$1.7625 Series, Without Par Value" (referred to hereinafter as the "\$1.7625 Series Preference Stock"), does hereby leave the number of shares constituting such series of Preferred Stock (Cumulative) unaltered at one million four hundred thousand (1,400,000), and does hereby amend the rights, preferences, privileges, and restrictions of such series of Preference Stock (Cumulative) to be as follows:

SECTION 1
DIVIDEND RATE, LIQUIDATION PREFERENCES

1.1 Dividend Rate. The holders of the \$1.7625 Series Preference Stock shall be entitled to receive cumulative dividends at the rate of \$.440625 per share per quarter-annual period from the date on which each respective share of the \$1.7625 Series Preference Stock is originally issued. Such dividends shall be payable on January 15, 1993 for the period commencing on the date of original issuance of the \$1.7625 Series Preference Stock and ending on said January 15, and thereafter quarterly on the fifteenth day of January, April, July and October in each year.

1.2 Pro-Rata Dividends. The Corporation shall not declare or pay any dividend on any shares of the \$1.7625 Series Preference Stock or on any shares of any other series of Preference Stock (Cumulative) or Cumulative Preferred Stock of the Corporation (together, the "Preferred Stock") which ranks on a parity with the \$1.7625 Series Preference Stock for any quarter-annual dividend period unless the Corporation shall declare and pay or set apart for payment a ratable dividend on the \$1.7625 Series Preference Stock and such parity Preferred Stock in proportion to the full preferential amounts to which each such series is entitled.

1.3 Liquidation Preferences. In the event of any liquidation, dissolution or winding-up of the Corporation, the holders of the \$1.7625 Series Preference Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders, before any distribution of the assets shall be made to the holders of the Common Stock or any other class or series of stock ranking as to dividends or assets junior to the \$1.7625 Series Preference Stock, \$25 per share, plus an amount equal to the dividends accrued and unpaid thereon, whether or not declared, to the date fixed for payment.

1.4 Pro-Rata Distribution. If upon any liquidation, dissolution or winding-up of the Corporation, the amounts payable with respect to the \$1.7625 Series Preference Stock and any other series of Preferred Stock of the Corporation which ranks on a parity with the \$1.7625 Series Preference Stock are not paid in full, the holders of the \$1.7625 Series Preference Stock and such parity Preferred Stock shall share ratably in any distribution of assets in proportion to the full preferential amounts to which they are entitled.

SECTION 2 SINKING FUND, REDEMPTION

2.1 Sinking Fund Redemption. So long as any shares of the \$1.7625 Series Preference Stock shall be outstanding, the Corporation, as a sinking fund for the redemption thereof (hereinafter called the "Sinking Fund"), shall set aside, after full payment or provision for payment of dividends accrued on all stock on a parity with the \$1.7625 Series Preference Stock or senior thereto, in cash out of any monies legally available for the redemption of shares, on January 15, 2003 and on the 15th day of January in each year thereafter, a sum equal to \$1,250,000 (or, if less than 50,000 shares of the \$1.7625 Series Preference Stock are then outstanding, a sum equal to \$25 times the number of

shares of the \$1.7625 Series Preference Stock then outstanding), plus an amount equal to dividends accrued and unpaid on 50,000 shares of the \$1.7625 Series Preference Stock (or the number of shares of the \$1.7625 Series Preference Stock then outstanding if less than 50,000). So long as any shares of the \$1.7625 Series Preference Stock shall be outstanding, on January 15, 2003, and on the 15th day of January in each year thereafter, the Corporation shall redeem 50,000 shares of the \$1.7625 Series Preference Stock (or the number of shares of the \$1.7625 Series Preference Stock then outstanding if less than 50,000) at the price of \$25 per share plus accrued and unpaid dividends thereon, using for each such redemption the monies theretofore set aside as the Sinking Fund. The obligations of the Corporation under this section 2.1 shall be cumulative, so that if the full number of shares required to be redeemed on any January 15 are not so redeemed, the redemption shall be made as soon thereafter as funds become available therefor and redemption can be effected in compliance with California law.

In addition, if any shares of the \$1.7625 Series Preference Stock are then outstanding, the Corporation, as part of the Sinking Fund for the redemption thereof, shall set aside, after full payment or provision for payment of dividends accrued on all stock on a parity with the \$1.7625 Series Preference Stock or senior thereto, in cash out of any monies legally available for the redemption of shares, on January 15, 2008, a sum equal to \$25 times the number of shares of the \$1.7625 Series Preference Stock then outstanding, plus an amount equal to dividends accrued and unpaid on the number of shares of the \$1.7625 Series Preference Stock then outstanding. On January 15, 2008, the Corporation shall redeem any and all shares of \$1.7625 Series Preference Stock then outstanding at the price of \$25 per share plus accrued and unpaid dividends thereon, using for such redemption the monies theretofore set aside as the Sinking Fund. If the full number of shares required to be redeemed on January 15, 2008 are not so redeemed, the redemption shall be made as soon thereafter as funds become available therefor and redemption can be effected in compliance with California law.

2.2 Optional Redemption. In addition to the mandatory sinking fund payments and redemptions pursuant to section 2.1, the Corporation may at its option set aside additional monies in the Sinking Fund and redeem up to an additional 50,000 shares of the \$1.7625 Series Preference Stock on January 15, 2003, and on the 15th day of January in any year thereafter, at the price of \$25 per share plus accrued and unpaid dividends thereon; provided, however, that the right

to make such optional payments and up-to-50,000-shares-per-year redemptions shall be non-cumulative.

2.3 Credit for Repurchases. Any shares of the \$1.7625 Series Preference Stock acquired by the Corporation from time to time by way of purchase other than pursuant to section 2.1 and/or section 2.2 may be applied to reduce any of the Sinking Fund obligations, including those set forth in either or both of the paragraphs of section 2.1.

2.4 General. At least thirty (but not more than sixty) days' previous notice of every redemption of the \$1.7625 Series Preference Stock pursuant to section 2.1 and/or section 2.2 shall be mailed, addressed to the holders of record of the shares to be redeemed at their respective addresses, as the same shall appear on the books of the Corporation, or in any case where no such address shall appear, then addressed to such stockholder at the principal office of the Corporation, but the failure to mail such notice as aforesaid shall not invalidate the redemption of the shares so redeemed. The particular shares of \$1.7625 Series Preference Stock to be redeemed by reason of section 2.1 and/or section 2.2 shall be determined by the Corporation by lot.

SECTION 3 MISCELLANEOUS PROVISIONS

3.1 Ranking. The \$1.7625 Series Preference Stock shall rank equally with the Cumulative Preferred Stock (\$20 par value) and all other series of Preference Stock (Cumulative) of the Corporation with respect to priority in the payment of dividends, mandatory redemptions, and in the distribution of assets upon any liquidation, whether voluntary or involuntary.

3.2 Restrictions on Dividend Rights and Acquisitions of Other Stock. So long as any of the \$1.7625 Series Preference Stock is outstanding, the Corporation shall not declare or pay any dividend on or make any distribution of property with respect to any of the Common Stock or on any other stock of the Corporation having rights or preferences as to dividends or assets junior to the rights and preferences of the \$1.7625 Series Preference Stock, or redeem, purchase or otherwise acquire any such stock or any stock on a parity with the \$1.7625 Series Preference Stock for value unless in each case: (a) full cumulative dividends on the \$1.7625 Series Preference Stock then due and payable shall have been declared and paid or a sum in cash sufficient for the payment thereof set apart for payment;

and (b) in the event that any such declaration or payment or redemption, purchase or other acquisition is proposed to occur on or after January 15, 2003, all sinking fund payments and redemptions required by section 2.1 hereof shall have been made.

3.3 Status of Redeemed or Reacquired Shares. All shares of \$1.7625 Series Preference Stock redeemed or otherwise reacquired by the Corporation shall not be reissued or otherwise disposed of as part of the series created hereby but shall be retired and restored to the status of authorized but unissued shares of Preference Stock (Cumulative).

3.4 No Conversion Rights. All \$1.7625 Series Preference Stock shall not be convertible into or exchangeable for other securities of the Corporation.

3.5 Voting Rights. The holders of the \$1.7625 Series Preference Stock shall have the voting rights set forth with respect to the Corporation's Preference Stock (Cumulative) in the Restated Articles of Incorporation of the Corporation.

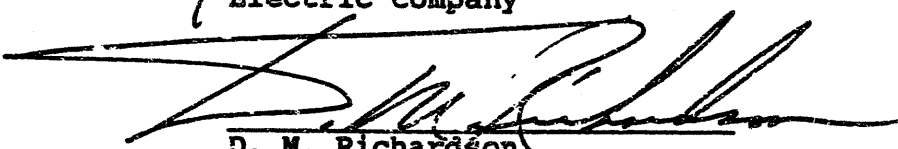
3.6 Incorporation by Reference. The rights, preferences, privileges and restrictions expressly set forth in the Corporation's Restated Articles of Incorporation, as amended, with respect to Preference Stock (Cumulative) are hereby incorporated by this reference.

2. The total number of shares of Preference Stock (Cumulative) which this corporation is authorized to issue is ten million (10,000,000) and the total number of shares of such class constituting the series designated "Preference Stock (Cumulative), \$2.0625 Series, Without Par Value" is one million four hundred thousand (1,400,000) and none of the shares of said series has been issued.

IN WITNESS WHEREOF, the undersigned have subscribed their names and caused the corporate seal of SAN DIEGO GAS & ELECTRIC COMPANY to be affixed this 2nd day of December, 1992.


J. E. Thomas
President of San Diego Gas &
Electric Company

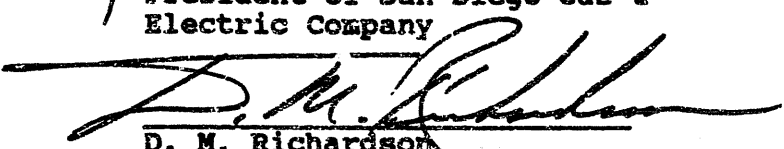
(SEAL)


D. M. Richardson
Secretary of San Diego Gas &
Electric Company

Each of the undersigned declares under penalty of perjury that the matters set forth in the foregoing certificate are true and correct.

Executed at San Diego, California, on December 2, 1992.


J. E. Thomas
President of San Diego Gas &
Electric Company


D. M. Richardson
Secretary of San Diego Gas &
Electric Company

AUG 19 1993

SEARCH FOND 20, Department of State

CERTIFICATE OF DETERMINATION OF PREFERENCES OF PREFERENCE STOCK
PREFERENCE STOCK (CUMULATIVE), \$1.70 SERIES, WITHOUT PAR VALUE,
OF SAN DIEGO GAS & ELECTRIC COMPANY

THOMAS A. PAGE and D. M. RICHARDSON certify that:

1. They are the Chairman of the Board and Chief Executive Officer, and the Corporate Secretary, respectively, of San Diego Gas & Electric Company, a California corporation.

2. The total number of shares of Preference Stock (Cumulative) which this corporation is authorized to issue is 10,000,000 and the total number of shares constituting the series designated "Preference Stock (Cumulative), \$1.70 Series, Without Par Value" is 1,400,000 and none of the shares of said series have been issued.

3. The Executive Committee of the Board of Directors duly adopted the following resolutions:

NOW, THEREFORE, BE IT RESOLVED, that One Million Four Hundred Thousand (1,400,000) shares of this Corporation's unissued Preference Stock (Cumulative), without par value, shall constitute a series designated "Preference Stock (Cumulative), \$1.70 Series, Without Par Value" (referred to hereinafter as the "\$1.70 Series Preference Stock"), and having the rights, preferences, privileges and restrictions as follows:

SECTION 1

DIVIDEND RATE, LIQUIDATION PREFERENCES

1.1 Dividend Rate. The holders of the \$1.70 Series Preference Stock shall be entitled to receive cumulative dividends at the rate of \$.425 per share per quarterly period from the date on which each respective share of the \$1.70 Series Preference Stock is originally issued. The first such dividends shall be payable on October 15, 1993 for the period commencing on the date of original issuance of the \$1.70 Series Preference Stock and ending on said October 15, and thereafter quarterly on the fifteenth day of January, April, July and October in each year. Dividends payable on the \$1.70 Series Preference Stock for any period less than a full quarterly dividend period, including the initial dividend period, shall be computed on the basis of a 360-day year consisting of 12 30-day months.

1.2 Pro-Rata Dividends. The Corporation shall not declare or pay any dividend on any shares of the \$1.70 Series Preference Stock or on any shares of any other series of Preference Stock (Cumulative) or Cumulative Preferred Stock of the Corporation (together, the "Preferred Stock") which ranks on a parity with the \$1.70 Series Preference Stock for any quarterly dividend period unless the

Corporation shall declare and pay or set apart for payment a ratable dividend on the \$1.70 Series Preference Stock and such parity Preferred Stock in proportion to the full preferential amounts to which each such series is entitled.

1.3 Liquidation Preferences. In the event of any liquidation, dissolution or winding-up of the Corporation, the holders of the \$1.70 Series Preference Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders, before any distribution of the assets shall be made to the holders of the Common Stock or any other class or series of stock ranking as to dividends or assets junior to the \$1.70 Series Preference Stock, an amount, in the case of voluntary liquidation, dissolution or winding-up, equal to \$25.850 per share prior to October 15, 2003 and, thereafter, to the redemption price specified in section 2.1 below applicable on the date of such voluntary liquidation, dissolution or winding-up, and, in the case of involuntary liquidation, dissolution or winding-up, \$25 per share, plus, in the case of each share (whether on voluntary or involuntary liquidation, dissolution or winding-up), an amount equal to the dividends accrued and unpaid thereon, whether or not declared, to the date fixed for payment.

1.4 Pro-Rata Distribution. If upon any liquidation, dissolution or winding-up of the Corporation, the amounts payable with respect to the \$1.70 Series Preference Stock and any other series of Preferred Stock of the Corporation which ranks on a parity with the \$1.70 Series Preference Stock are not paid in full, the holders of the \$1.70 Series Preference Stock and such parity Preferred Stock shall share ratably in any distribution of assets in proportion to the full preferential amounts to which they are entitled.

SECTION 2 REDEMPTION

2.1 Optional Redemption. The \$1.70 Series Preference Stock shall not be redeemable prior to October 15, 2003. Thereafter, the \$1.70 Series Preference Stock shall be redeemable at the option of the Corporation, at any time as a whole, or from time to time in part, at the following redemption prices per share if redeemed during the 12-month period beginning October 15 in each of the following years: 2003 at \$25.850; 2004 at \$25.765; 2005 at \$25.680; 2006 at \$25.595; 2007 at \$25.510; 2008 at \$25.425; 2009 at \$25.340; 2010 at \$25.255; 2011 at \$25.170; 2012 at \$25.085; 2013 and thereafter at \$25.000 per share, plus in each case an amount equal to dividends accrued and unpaid thereon to the redemption date.

2.2 General. At least 30 (but not more than 60) days' previous notice of every redemption of the \$1.70 Series Preference Stock pursuant to section 2.1 shall be mailed, addressed to the holders of record of the shares to be redeemed at their respective addresses, as the same shall appear on the books of the Corporation, or in any case where no such address shall appear, then addressed to such shareholder at the principal office of the Corporation, but the failure to mail such notice as aforesaid shall not invalidate the redemption of the shares so redeemed. The particular shares of \$1.70 Series Preference Stock to be redeemed by reason of section 2.1 shall be selected pro rata in proportion to the number of shares of \$1.70 Series Preference Stock held by such holder; provided that any fractional share that would otherwise be redeemed by virtue of any pro-rata redemption shall be rounded to the nearest whole share.

SECTION 3 MISCELLANEOUS PROVISIONS

3.1 Ranking. The \$1.70 Series Preference Stock shall rank equally with the Cumulative Preferred Stock (\$20 par value) and all other series of Preference Stock (Cumulative) of the Corporation with respect to priority in the payment of dividends, mandatory redemptions, and in the distribution of assets upon any liquidation, whether voluntary or involuntary.

3.2 Restrictions on Dividend Rights and Acquisitions of Other Stock. So long as any of the \$1.70 Series Preference Stock is outstanding, the Corporation shall not declare or pay any dividend on or make any distribution of property with respect to any of the Common Stock or on any other stock of the Corporation having rights or preferences as to dividends or assets junior to the rights and preferences of the \$1.70 Series Preference Stock, or redeem, purchase or otherwise acquire any such stock or any stock on a parity with the \$1.70 Series Preference Stock for value unless in each case full cumulative dividends on the \$1.70 Series Preference Stock then due and payable shall have been declared and paid or a sum in cash sufficient for the payment thereof set apart for payment.

3.3 Status of Redeemed or Reacquired Shares. All shares of \$1.70 Series Preference Stock redeemed or otherwise reacquired by the Corporation shall not be reissued or otherwise disposed of as part of the series created hereby but shall be retired and restored to the status of authorized but unissued shares of Preference Stock (Cumulative).

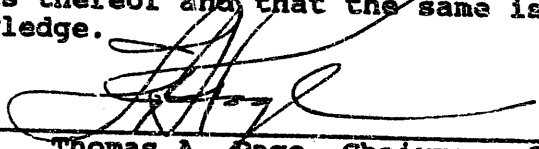
3.4 No Conversion Rights. No \$1.70 Series Preference Stock shall be convertible into or exchangeable for other securities of the Corporation.

3.5 Voting Rights. The holders of the \$1.70 Series Preference Stock shall have the voting rights set forth with respect to the Corporation's Preference Stock (Cumulative) in the Restated Articles of Incorporation of the Corporation.

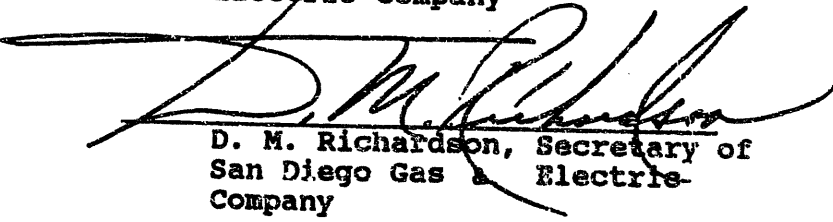
3.6 Incorporation by Reference. The rights, preferences, privileges and restrictions expressly set forth in the Corporation's Restated Articles of Incorporation, as amended, with respect to Preference Stock (Cumulative) are hereby incorporated by this reference.

We further declare under penalty of perjury under the laws of the State of California that we have read the foregoing Certificate and know the contents thereof and that the same is true and correct of our own knowledge.

Date: August 17, 1993


Thomas A. Page, Chairman of
the Board and Chief Executive
Officer of San Diego Gas &
Electric Company

Date: August 18, 1993


D. M. Richardson, Secretary of
San Diego Gas & Electric
Company

**CERTIFICATE OF DETERMINATION OF PREFERENCES
OF PREFERENCE STOCK (CUMULATIVE), \$1.82 SERIES,
WITHOUT PAR VALUE, OF
SAN DIEGO GAS & ELECTRIC COMPANY**

NOV 15 1993

MARCH FONG EU, Secretary of State

MALYN K. MALQUIST and CONSTANCE K. GOATES certify that:

1. They are the Vice President of Finance and Treasurer, and the Assistant Secretary, respectively, of San Diego Gas & Electric Company, a California corporation.

2. The Executive Committee of the Board of Directors duly adopted the following resolutions:

NOW, THEREFORE, BE IT RESOLVED, that Six Hundred Forty Thousand (640,000) shares of this Corporation's unissued Preference Stock (Cumulative), without par value, shall constitute a series designated "Preference Stock (Cumulative), \$1.82 Series, Without Par Value" (referred to hereinafter as the "\$1.82 Series Preference Stock"), and having the rights, preferences, privileges and restrictions as follows:

**SECTION 1
DIVIDEND RATE, LIQUIDATION PREFERENCES**

1.1 Dividend Rate. The holders of the \$1.82 Series Preference Stock shall be entitled to receive cumulative dividends at the rate of \$.455 per share per quarterly period from the date on which each respective share of the \$1.82 Series Preference Stock is originally issued. The first such dividends shall be payable on January 15, 1994 for the period commencing on the date of original issuance of the \$1.82 Series Preference Stock and ending on said January 15, and thereafter quarterly on the fifteenth day of January, April, July and October in each year.

1.2 Pre-Rate Dividends. The Corporation shall not declare or pay any dividend on any shares of the \$1.82 Series Preference Stock or on any shares of any other series of Preference Stock (Cumulative) or Cumulative Preferred Stock of the Corporation (together, the "Preferred Stock") which ranks on a parity with the \$1.82 Series Preference Stock for any quarterly dividend period unless the Corporation shall declare and pay or set apart for payment a ratable dividend on the \$1.82 Series Preference Stock and such parity Preferred Stock in proportion to the full preferential amounts to which each such series is entitled.

1.3 Liquidation Preferences. In the event of any liquidation, dissolution or winding-up of the Corporation, the holders of the \$1.82 Series Preference Stock shall be entitled to receive out of the assets of the Corporation

available for distribution to shareholders, before any distribution of the assets shall be made to the holders of the Common Stock or any other class or series of stock ranking as to dividends or assets junior to the \$1.82 Series Preference Stock, \$25.00 per share, plus an amount equal to the dividends accrued and unpaid thereon, whether or not declared, to the date fixed for payment.

1.4 Pro-Rata Distribution. If upon any liquidation, dissolution or winding-up of the Corporation, the amounts payable with respect to the \$1.82 Series Preference Stock and any other series of Preferred Stock of the Corporation which ranks on a parity with the \$1.82 Series Preference Stock are not paid in full, the holders of the \$1.82 Series Preference Stock and such parity Preferred Stock shall share ratably in any distribution of assets in proportion to the full preferential amounts to which they are entitled.

SECTION 2 REDEMPTION

2.1 Optional Redemption. The \$1.82 Series Preference stock shall not be redeemable prior to November 15, 1998. Thereafter, the \$1.82 Series Preference Stock shall be redeemable, at the option of the Corporation, at any time as a whole, or from time to time in part, at \$26.00 per share, plus in each case an amount equal to dividends accrued and unpaid thereon to the redemption date.

2.2 General. At least 30 (but not more than 60) days' previous notice of every redemption of the \$1.82 Series Preference Stock pursuant to section 2.1 shall be mailed, addressed to the holders of record of the shares to be redeemed at their respective addresses, as the same shall appear on the books of the Corporation, or in any case where no such address shall appear, then addressed to such shareholder at the principal office of the Corporation, but the failure to mail such notice as aforesaid shall not invalidate the redemption of the shares so redeemed. The particular shares of \$1.82 Series Preference Stock to be redeemed by reason of section 2.1 shall be selected pro-rata in proportion to the number of shares of \$1.82 Series Preference Stock held by such holder; provided that any fractional share that would otherwise be redeemed by virtue of any pro-rata redemption shall be rounded to the nearest whole share.

SECTION 3 MISCELLANEOUS PROVISIONS

3.1 Ranking. The \$1.82 Series Preference Stock shall rank equally with all series of the Cumulative Preferred Stock (\$20 par value) and all series of Preference Stock (Cumulative) of the Corporation with respect to priority in

the payment of dividends, mandatory redemptions, and in the distribution of assets upon any liquidation, whether voluntary or involuntary.

3.2 Restrictions on Dividend Rights and Acquisitions of Other Stock. So long as any of the \$1.82 Series Preference Stock is outstanding, the Corporation shall not declare or pay any dividend on or make any distribution of property with respect to any of the Common Stock or on any other stock of the Corporation having rights or preferences as to dividends or assets junior to the rights and preferences of the \$1.82 Series Preference Stock, or redeem, purchase or otherwise acquire any such stock or any stock on a parity with the \$1.82 Series Preference Stock for value unless in each case full cumulative dividends on the \$1.82 Series Preference Stock then due and payable shall have been declared and paid or a sum in cash sufficient for the payment thereof set apart for payment.

3.3 Status of Redeemed or Reacquired Shares. All shares of \$1.82 Series Preference Stock redeemed or otherwise reacquired by the Corporation shall not be reissued or otherwise disposed of as part of the series created hereby but shall be retired and restored to the status of authorized but unissued shares of Preference Stock (Cumulative).

3.4 No Conversion Rights. No \$1.82 Series Preference Stock shall be convertible into or exchangeable for other securities of the Corporation.


3.5 Voting Rights. The holders of the \$1.82 Series Preference Stock shall have the voting rights set forth with respect to the Corporation's Preference Stock (Cumulative) in the Restated Articles of Incorporation of the Corporation.

3.6 Incorporation by Reference. The rights, preferences, privileges and restrictions expressly set forth in the Corporation's Restated Articles of Incorporation, as amended, with respect to Preference Stock (Cumulative) are hereby incorporated by this reference.

3. The total number of shares of Preference Stock (Cumulative) which this corporation is authorized to issue is 10,000,000 and the total number of shares constituting the series designated "Preference Stock (Cumulative), \$1.82 Series, Without Par Value" is 640,000, and none of the shares of said series have been issued.

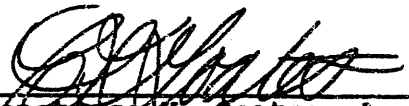
We further declare under penalty of perjury under the laws of the State of California that we have read the foregoing Certificate and know the contents thereof and that the same is true and correct of our own knowledge.

Date: November 15, 1993



Malyn K. Malquist, Vice President of
Finance and Treasurer of San Diego Gas
& Electric Company

Date: November 15, 1993



Constance K. Goates, Assistant Secretary
of San Diego Gas & Electric Company

ATTACHMENT B

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
JUNE 30, 2009

1. UTILITY PLANT		<u>2009</u>
101	UTILITY PLANT IN SERVICE	\$8,994,195,135
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	2,973,017
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	462,148,650
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(4,122,435,606)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(235,434,555)
118	OTHER UTILITY PLANT	616,341,061
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(130,467,314)
120	NUCLEAR FUEL - NET	<u>42,932,857</u>
TOTAL NET UTILITY PLANT		<u>5,630,253,245</u>

2. OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	5,897,686
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(500,769)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	-
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	<u>580,762,883</u>
TOTAL OTHER PROPERTY AND INVESTMENTS		<u>586,159,800</u>

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
JUNE 30, 2009

3. CURRENT AND ACCRUED ASSETS		2009
131	CASH	20,887,169
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	3,000
136	TEMPORARY CASH INVESTMENTS	159,800,000
141	NOTES RECEIVABLE	801,453
142	CUSTOMER ACCOUNTS RECEIVABLE	175,968,903
143	OTHER ACCOUNTS RECEIVABLE	62,435,675
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(3,534,500)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	5,335,186
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	658,572
151	FUEL STOCK	2,720,956
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	59,897,492
156	OTHER MATERIALS AND SUPPLIES	-
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	356,750
165	PREPAYMENTS	42,789,773
171	INTEREST AND DIVIDENDS RECEIVABLE	2,697,154
173	ACCRUED UTILITY REVENUES	48,834,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	984,010,234
175	DERIVATIVE INSTRUMENT ASSETS	40,732,898
TOTAL CURRENT AND ACCRUED ASSETS		1,604,394,715
4. DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	24,541,564
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	1,415,438,992
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	645,141
184	CLEARING ACCOUNTS	137,955
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	3,558,935
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	28,493,716
190	ACCUMULATED DEFERRED INCOME TAXES	273,225,435
TOTAL DEFERRED DEBITS		1,746,041,738
TOTAL ASSETS AND OTHER DEBITS		9,566,849,498

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
JUNE 30, 2009

5. PROPRIETARY CAPITAL

	<u>2009</u>
201 COMMON STOCK ISSUED	\$291,458,395
204 PREFERRED STOCK ISSUED	78,475,400
207 PREMIUM ON CAPITAL STOCK	592,222,753
210 GAIN ON RETIRED CAPITAL STOCK	-
211 MISCELLANEOUS PAID-IN CAPITAL	279,618,042
214 CAPITAL STOCK EXPENSE	(25,688,571)
216 UNAPPROPRIATED RETAINED EARNINGS	1,436,819,621
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>(10,352,524)</u>
TOTAL PROPRIETARY CAPITAL	<u>2,642,553,116</u>

6. LONG-TERM DEBT

221 BONDS	1,936,905,000
223 ADVANCES FROM ASSOCIATED COMPANIES	-
224 OTHER LONG-TERM DEBT	253,720,000
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	<u>(3,952,389)</u>
TOTAL LONG-TERM DEBT	<u>2,186,672,611</u>

7. OTHER NONCURRENT LIABILITIES

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	-
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	26,248,198
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	433,180,166
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
230 ASSET RETIREMENT OBLIGATIONS	<u>570,399,405</u>
TOTAL OTHER NONCURRENT LIABILITIES	<u>1,029,827,769</u>

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
JUNE 30, 2009

8. CURRENT AND ACCRUED LIABILITES

	<u>2009</u>
231 NOTES PAYABLE	-
232 ACCOUNTS PAYABLE	200,261,723
233 NOTES PAYABLE TO ASSOCIATED COMPANIES	
234 ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	57,583,451
235 CUSTOMER DEPOSITS	53,562,609
236 TAXES ACCRUED	1,520,642
237 INTEREST ACCRUED	23,260,151
238 DIVIDENDS DECLARED	1,204,917
241 TAX COLLECTIONS PAYABLE	6,559,417
242 MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	1,107,329,298
243 OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	-
244 DERIVATIVE INSTRUMENT LIABILITIES	299,356,131
245 DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	<hr/>
TOTAL CURRENT AND ACCRUED LIABILITIES	<u>1,750,638,339</u>

9. DEFERRED CREDITS

252 CUSTOMER ADVANCES FOR CONSTRUCTION	15,872,888
253 OTHER DEFERRED CREDITS	156,011,090
254 OTHER REGULATORY LIABILITIES	847,094,403
255 ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	25,120,697
257 UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281 ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	5,201,256
282 ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	671,842,744
283 ACCUMULATED DEFERRED INCOME TAXES - OTHER	236,014,585
	<hr/>

TOTAL DEFERRED CREDITS 1,957,157,663

TOTAL LIABILITIES AND OTHER CREDITS \$9,566,849,498

ATTACHMENT C

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
SIX MONTHS ENDED JUNE 30, 2009

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		\$1,381,792,565
401	OPERATING EXPENSES	\$819,955,138	
402	MAINTENANCE EXPENSES	78,117,002	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	157,674,594	
408.1	TAXES OTHER THAN INCOME TAXES	35,722,605	
409.1	INCOME TAXES	70,794,702	
410.1	PROVISION FOR DEFERRED INCOME TAXES	18,739,140	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(6,002,084)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(1,236,812)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	<u>(945,335)</u>	
	TOTAL OPERATING REVENUE DEDUCTIONS		<u>1,172,818,950</u>
	NET OPERATING INCOME		208,973,615

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(30,891)	
418	NONOPERATING RENTAL INCOME	210,819	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	4,322,981	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	13,057,679	
421	MISCELLANEOUS NONOPERATING INCOME	520,733	
421.1	GAIN ON DISPOSITION OF PROPERTY	<u>-</u>	
	TOTAL OTHER INCOME	<u>18,081,321</u>	
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	<u>641,729</u>	
	TOTAL OTHER INCOME DEDUCTIONS	<u>641,729</u>	
408.2	TAXES OTHER THAN INCOME TAXES	166,783	
409.2	INCOME TAXES	4,618,274	
410.2	PROVISION FOR DEFERRED INCOME TAXES	3,266,287	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	-	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	<u>8,051,344</u>	
	TOTAL OTHER INCOME AND DEDUCTIONS		<u>10,671,706</u>
	INCOME BEFORE INTEREST CHARGES		219,645,321
	NET INTEREST CHARGES*		<u>48,163,444</u>
	NET INCOME		<u><u>\$171,481,877</u></u>

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION (4,435,302)

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
SIX MONTHS ENDED JUNE 30, 2009

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$1,417,747,578
NET INCOME (FROM PRECEDING PAGE)	171,481,877
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(2,409,834)
OTHER RETAINED EARNINGS ADJUSTMENTS	(150,000,000)
RETAINED EARNINGS AT END OF PERIOD	<u>\$1,436,819,621</u>

ATTACHMENT D

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT

Attachment D

SDG&E Application 09-08-_____

CLASS AVERAGE RATES

Based on Rates Effective 5/1/09
(AL 2078-E)

Proposed

	Current			Proposed			Total
	Total UDC Rate (¢/KWhr)	Avg. Commodity (¢/KWhr)	Total Rate (¢/KWhr)	Total UDC Rate (¢/KWhr)	Avg. Commodity (¢/KWhr)	Total Rate (¢/KWhr)	Rate Change (¢/KWhr)
Residential	8.842	9.305	18.147	9.047	9.305	18.352	0.205
Small Commercial	8.453	10.031	18.484	8.611	10.031	18.642	0.158
Med. & Large C&I	5.224	10.190	15.414	5.308	10.190	15.498	0.084
Agriculture	8.427	9.506	17.933	8.584	9.506	18.090	0.157
Lighting	8.969	6.899	15.868	9.077	6.899	15.976	0.108
System Total	6.930	9.756	16.686	7.067	9.756	16.823	0.137
							Total Rate Change (%)
							1.13%
							0.85%
							0.54%
							0.88%
							0.68%
							0.82%

Notes:
DWR-BC is included in Current and Proposed Total UDC Rate

ATTACHMENT E

SAN DIEGO GAS & ELECTRIC COMPANY
COST OF PROPERTY AND
DEPRECIATION RESERVE APPLICABLE THERETO
AS OF JUNE 30, 2009

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
ELECTRIC DEPARTMENT			
302	Franchises and Consents	\$ 222,841	\$ 202,900
303	Misc. Intangible Plant	26,878,263	25,020,184
	TOTAL INTANGIBLE PLANT	27,101,104	25,223,085
310.1	Land	14,526,518	46,518
310.2	Land Rights	0	0
311	Structures and Improvements	43,865,559	11,695,235
312	Boiler Plant Equipment	116,359,522	18,496,592
314	Turbogenerator Units	99,631,753	17,667,366
315	Accessory Electric Equipment	33,468,903	5,655,206
316	Miscellaneous Power Plant Equipment	18,711,298	2,279,393
	Steam Production Decommissioning	0	0
	TOTAL STEAM PRODUCTION	326,563,553	55,840,310
320.1	Land	0	0
320.2	Land Rights	283,677	283,677
321	Structures and Improvements	273,827,441	269,154,888
322	Boiler Plant Equipment	397,241,224	392,913,897
323	Turbogenerator Units	140,232,821	135,632,862
324	Accessory Electric Equipment	166,850,728	166,666,495
325	Miscellaneous Power Plant Equipment	287,696,229	218,250,898
107	ICIP CWIP	0	0
	TOTAL NUCLEAR PRODUCTION	1,266,132,120	1,182,902,718
340.1	Land	143,476	0
340.2	Land Rights	2,428	2,428
341	Structures and Improvements	4,722,158	597,551
342	Fuel Holders, Producers & Accessories	15,295,980	1,735,170
343	Prime Movers	21,550,498	3,407,502
344	Generators	187,552,099	13,534,306
345	Accessory Electric Equipment	10,270,020	1,180,392
346	Miscellaneous Power Plant Equipment	359,058	56,489
	TOTAL OTHER PRODUCTION	239,895,717	20,513,837
	TOTAL ELECTRIC PRODUCTION	1,832,591,391	1,259,256,865

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
350.1	Land	\$ 34,940,166	\$ 0
350.2	Land Rights	61,812,197	10,286,882
352	Structures and Improvements	96,574,358	29,202,834
353	Station Equipment	616,515,591	138,736,196
354	Towers and Fixtures	107,860,658	79,772,917
355	Poles and Fixtures	152,782,705	40,288,663
356	Overhead Conductors and Devices	242,788,553	154,553,164
357	Underground Conduit	125,101,146	13,845,131
358	Underground Conductors and Devices	107,212,014	16,440,553
359	Roads and Trails	23,042,884	5,431,963
	TOTAL TRANSMISSION	1,568,630,273	488,558,302
360.1	Land	16,176,228	0
360.2	Land Rights	69,263,593	28,335,168
361	Structures and Improvements	3,245,903	1,614,517
362	Station Equipment	323,778,626	71,548,645
364	Poles, Towers and Fixtures	421,038,353	191,201,160
365	Overhead Conductors and Devices	330,482,224	115,610,966
366	Underground Conduit	833,584,229	312,325,565
367	Underground Conductors and Devices	1,107,974,570	605,487,350
368.1	Line Transformers	417,812,444	71,566,377
368.2	Protective Devices and Capacitors	17,507,569	(4,090,862)
369.1	Services Overhead	105,482,871	119,679,742
369.2	Services Underground	280,475,575	174,487,903
370.1	Meters	93,238,278	33,640,900
370.2	Meter Installations	46,062,841	10,391,966
371	Installations on Customers' Premises	6,190,150	9,858,589
373.1	St. Lighting & Signal Sys.-Transformers	0	0
373.2	Street Lighting & Signal Systems	23,439,149	16,046,133
	TOTAL DISTRIBUTION PLANT	4,095,752,603	1,757,704,119
389.1	Land	7,511,040	0
389.2	Land Rights	0	0
390	Structures and Improvements	29,804,624	13,636,646
392.1	Transportation Equipment - Autos	0	49,884
392.2	Transportation Equipment - Trailers	26,034	1,593
393	Stores Equipment	52,833	48,374
394.1	Portable Tools	15,686,532	4,626,136
394.2	Shop Equipment	350,581	154,360
395	Laboratory Equipment	292,331	(13,767)
396	Power Operated Equipment	92,162	149,134
397	Communication Equipment	110,641,776	50,829,951
398	Miscellaneous Equipment	462,560	25,425
	TOTAL GENERAL PLANT	164,920,472	69,507,736
101	TOTAL ELECTRIC PLANT	7,688,995,843	3,600,250,107

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
GAS PLANT			
302	Franchises and Consents	\$ 86,104	\$ 86,104
303	Miscellaneous Intangible Plant	713,559	574,758
	TOTAL INTANGIBLE PLANT	799,663	660,862
360.1	Land	0	0
361	Structures and Improvements	43,992	43,992
362.1	Gas Holders	0	0
362.2	Liquefied Natural Gas Holders	0	0
363	Purification Equipment	0	0
363.1	Liquefaction Equipment	0	0
363.2	Vaporizing Equipment	0	0
363.3	Compressor Equipment	0	0
363.4	Measuring and Regulating Equipment	0	0
363.5	Other Equipment	0	0
363.6	LNG Distribution Storage Equipment	1,662,356	396,102
	TOTAL STORAGE PLANT	1,706,348	440,094
365.1	Land	4,649,144	0
365.2	Land Rights	2,217,185	1,080,461
366	Structures and Improvements	11,017,098	8,143,316
367	Mains	125,816,776	51,823,242
368	Compressor Station Equipment	68,797,944	43,698,910
369	Measuring and Regulating Equipment	18,367,160	11,682,107
371	Other Equipment	0	0
	TOTAL TRANSMISSION PLANT	230,865,307	116,428,035
374.1	Land	102,187	0
374.2	Land Rights	8,028,270	5,318,358
375	Structures and Improvements	43,447	61,253
376	Mains	512,762,784	284,650,346
378	Measuring & Regulating Station Equipment	9,206,966	5,886,988
380	Distribution Services	232,556,508	261,638,452
381	Meters and Regulators	75,290,436	29,944,904
382	Meter and Regulator Installations	61,359,376	22,650,602
385	Ind. Measuring & Regulating Station Equipm	1,516,811	852,533
386	Other Property On Customers' Premises	0	0
387	Other Equipment	5,211,587	4,384,666
	TOTAL DISTRIBUTION PLANT	906,078,372	615,388,101

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
392.1	Transportation Equipment - Autos	\$ 0	\$ 25,503
392.2	Transportation Equipment - Trailers	74,501	74,501
394.1	Portable Tools	6,753,251	2,466,204
394.2	Shop Equipment	84,181	14,215
395	Laboratory Equipment	283,094	33,285
396	Power Operated Equipment	162,284	26,864
397	Communication Equipment	2,177,345	1,216,870
398	Miscellaneous Equipment	280,519	81,318
	TOTAL GENERAL PLANT	<u>9,815,174</u>	<u>3,938,760</u>
101	TOTAL GAS PLANT	<u>1,149,264,864</u>	<u>736,855,854</u>
COMMON PLANT			
303	Miscellaneous Intangible Plant	226,369,906	164,169,840
350.1	Land	0	0
360.1	Land	0	0
389.1	Land	5,612,511	0
389.2	Land Rights	1,385,339	27,275
390	Structures and Improvements	179,161,482	65,529,148
391.1	Office Furniture and Equipment - Other	26,109,550	12,917,981
391.2	Office Furniture and Equipment - Computer E	42,590,601	7,694,891
392.1	Transportation Equipment - Autos	33,942	(338,930)
392.2	Transportation Equipment - Trailers	33,369	(60,378)
393	Stores Equipment	138,816	(75,305)
394.1	Portable Tools	164,532	13,688
394.2	Shop Equipment	310,478	155,557
394.3	Garage Equipment	1,558,671	77,498
395	Laboratory Equipment	2,370,507	847,798
396	Power Operated Equipment	0	(192,979)
397	Communication Equipment	83,154,485	43,384,473
398	Miscellaneous Equipment	2,094,465	279,122
118.1	TOTAL COMMON PLANT	<u>571,088,656</u>	<u>294,429,680</u>
	TOTAL ELECTRIC PLANT	7,688,995,843	3,600,250,107
	TOTAL GAS PLANT	1,149,264,864	736,855,854
	TOTAL COMMON PLANT	<u>571,088,656</u>	<u>294,429,680</u>
101 & 118.1	TOTAL	<u>9,409,349,363</u>	<u>4,631,535,640</u>
101	PLANT IN SERV-SONGS FULLY RECOVER	<u>\$ (1,164,131,236)</u>	<u>\$ (1,164,131,236)</u>
101	PLANT IN SERV-ELECTRIC NON-RECON Electric	<u>\$ 0</u>	<u>\$ 0</u>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
101	Accrual for Retirements		
	Electric	\$ (4,724,617)	\$ (4,724,617)
	Gas	(393,620)	(393,620)
	TOTAL PLANT IN SERV-NON RECON ACC	<u>(5,118,237)</u>	<u>(5,118,237)</u>
	Electric	0	0
	Gas	0	0
	TOTAL PLANT PURCHASED OR SOLD	<u>0</u>	<u>0</u>
105	Plant Held for Future Use		
	Electric	2,973,017	0
	Gas	0	0
	TOTAL PLANT HELD FOR FUTURE USE	<u>2,973,017</u>	<u>0</u>
107	Construction Work in Progress		
	Electric	472,245,408	
	Gas	5,419,171	
	Common	44,471,953	
	TOTAL CONSTRUCTION WORK IN PROGRESS	<u>522,136,532</u>	<u>0</u>
108	Accum. Depr SONGS Mitigation/Spent Fuel Disallowance		
	Electric	0	318,538
108	Accum. Depr SONGS SGRP Removal		
	Electric	0	3,014,002
108.5	Accumulated Nuclear Decommissioning		
	Electric	0	529,454,654
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	<u>0</u>	<u>529,454,654</u>
120	NUCLEAR FUEL FABRICATION	<u>97,538,885</u>	<u>70,121,961</u>
143	FAS 143 ASSETS - Legal Obligation	126,668,513	(452,345,102)
	FIN 47 ASSETS - Legal Obligation	30,046,366	12,467,764
143	FAS 143 ASSETS - Non-legal Obligation	0	(1,119,806,984)
	TOTAL FAS 143	156,714,879	(1,559,684,323)
	UTILITY PLANT TOTAL	<u>\$ 9,019,463,204</u>	<u>\$ 2,505,511,000</u>

ATTACHMENT F

**SAN DIEGO GAS & ELECTRIC COMPANY
SUMMARY OF EARNINGS
SIX MONTHS ENDED JUNE 30, 2009
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$1,382
2	Operating Expenses	<u>1,173</u>
3	Net Operating Income	<u><u>\$209</u></u>
4	Weighted Average Rate Base	\$4,163
5	Rate of Return*	8.40%

*Authorized Cost of Capital

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) FOR AUTHORIZATION TO RECOVER UNFORESEEN LIABILITY INSURANCE PREMIUM AND DEDUCTIBLE EXPENSE INCREASES AS A Z-FACTOR EVENT** by electronic mail to each party of record in A.06-12-009/A.06-12-010 and by Federal Express to Commissioner Bohn and Administrative Law Judge Long.

Dated at Los Angeles, California this 31st day of August, 2009.

/s/ Rose Mary Ruiz

Rose Mary Ruiz

CPUC Service Lists - A0612009/010 - Last changed: August 28, 2009

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