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EX. 22 5.C

Southern California Edison Company

1979 Financial and Statistical Report

Contents

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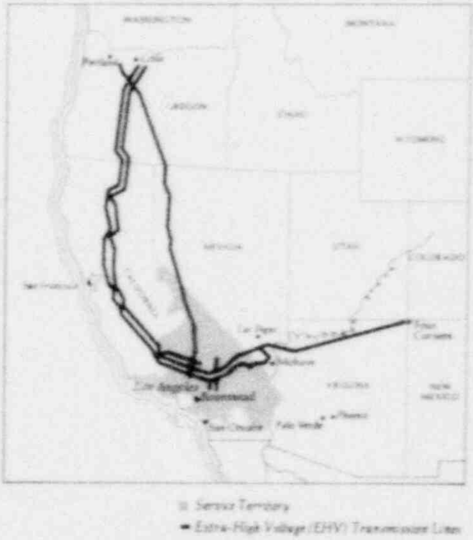

Southern California Edison Company provides electric service in a 50,000 square-mile area of Central and Southern California. This area includes some 800 cities and communities with a population of more than eight million people.

Edison's gross investment in utility plant totals nearly $7.6 billion. The installed Company-owned generating capacity at the end of 1979 was 13,263 megawatts of which 79% is comprised of oil and gas-fired generating units. SCE's interest in coal-fired generating units accounts for another 12%, and 6% is in hydroelectric plants. The Company's interest in a nuclear plant accounts for the remaining 3%. In addition, Edison had 1,670 megawatts of capacity under contract from other utility sources at year end.

RECENT RATE MATTERS

GENERAL RATE INCREASE FILED

The Company filed with the California Public Utilities Commission (CPUC) on December 26, 1979, a general rate application designed to increase annual revenues by approximately $340 million, based on a 1981 test year. The application requests rate relief as a result of a general increase in operating expenses and financing costs. In addition, the application requests an average annual rate of return on common equity of 15% and 10.78% on rate base for the period 1981-82. Because of the two-year cycle adopted by the CPUC in granting general rate increases, the Company has also requested an attrition allowance of 0.40% return on rate base to reflect increasing costs in the year following the test year.

ENERGY COST ADJUSTMENT CLAUSE PROCEDURE CHANGES

On January 29, 1980, the CPUC authorized the accelerated recovery of the Company's undercollected Energy Cost Adjustment Clause (ECAC) revenues in the amount of $81 million during the period between February 3 and April 30, 1980. At the same time, the CPUC approved, on an interim basis, the use of a floating interest rate on the ECAC balancing account which more nearly matches current short-term borrowing or investment rates. Also revised are the ECAC filing procedures which should permit the Company's billing rates to more accurately reflect the cost of fuel incurred during the ECAC adjustment period.

1 Highlights

	1979	1974	5-Year Compound Annual Growth Rate	1969	10-Year Compound Annual Growth Rate
Earnings Per Share	$ 4.56	$ 2.80	10.2%	$ 2.35	6.9%
Common Dividends Paid Per Share (a)	$ 2.54	$ 1.65	9.0	$ 1.40	6.1
Operating Revenues (000)	$ 2,563,974	$ 1,360,959	13.5	$ 642,124	14.8
Operating Expenses (000)	$ 2,178,978	$ 1,108,249	14.5	$ 482,663	16.3
Energy Costs — net (000) (b)	$ 1,344,023	$ 541,890	19.9	$ 126,216	26.7
Taxes on Income (000) (b)	$ 100,292	$ 70,618	7.3	$ 36,480	10.6
Net Income (000)	$ 346,219	$ 160,344	16.6	$ 107,869	12.4
Earnings Available for Common and Original Preferred Stock (000)	$ 292,481	$ 124,656	18.6	$ 95,152	11.9
Payroll (000)	$ 325,815	$ 208,892	9.3	$ 133,146	9.4
Employees	12,917	12,970	(0.1)	11,693	1.0
Population of Service Area	8,310,000	7,580,000	1.9	7,137,000	1.5
Total Customers	3,082,382	2,691,691	2.7	2,383,251	2.6
Kilowatt-Hour Consumption (000)	59,517,861	51,089,981	3.1	42,601,606	3.4
Net Utility Plant (000)	$ 3,826,836	$ 3,269,553	3.2	$ 2,400,982	4.8
Main System Peak (kw) (c)	12,464,000	9,997,000	4.5	7,804,000	4.8
Operating Capacity (kw)	14,932,223	13,494,849	2.0	10,238,627	3.8

(a) On September 20, 1979, the Company's Board of Directors authorized an increase in the Common Stock quarterly dividend to $0.68 from $0.62 per share, effective with the October 31, 1979 payment, which is equivalent to $2.72 per share on an annual basis.

(b) Included in Operating Expenses.

(c) High 5-year growth rate because of depressed 1974 peak demand resulting from mild climate conditions and customer conservation in response to the 1973 oil embargo.

5.a.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1979

Commission File Number 1-3779

SAN DIEGO GAS & ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

CALIFORNIA
(State or other jurisdiction of incorporation or organization)

95-1184800
(I.R.S. Employer Identification No.)

101 Ash Street, San Diego, California
(Address of principal executive offices)

92101
(Zip Code)

Registrant's telephone number, including area code: (714) 232-4252

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

Title of each class so registered	Name of each exchange on which registered
Preference Stock (Cumulative) Without Par Value (except $7.325, $8.25 & $9.125 Series)	American and Pacific
Cumulative Preferred Stock - $20 Par Value (except 4.60% Series)	American and Pacific
Common Stock - $5 Par Value	New York and Pacific
First Mortgage Bonds, Series O-R	New York

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT

None
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes ______ No

Common stock, $5 Par Value, number of shares outstanding as of December 31, 1979 31,188,237

PART I

Item 1. BUSINESS

DESCRIPTION OF BUSINESS

General Development and Description of Business

San Diego Gas & Electric Company ("SDG&E" or "the Company") is an operating public utility corporation organized and existing under and by virtue of the laws of the State of California. The Company was incorporated in California in 1905 and is engaged principally in the business of generating, purchasing, transmitting and distributing electric energy to approximately 751,000 customers in San Diego County and in portions of Orange and Imperial Counties, California and purchasing, transmitting and distributing natural gas service to approximately 493,000 customers in San Diego County and generating and distributing steam service to approximately 64 customers in downtown San Diego.

SDG&E's principal place of business is located in the Electric Building, 101 Ash Street, San Diego, California 92101 and its telephone is (714) 232-4252.

Electricity is generated and purchased and is distributed to customers by means of the Company owned overhead and underground transmission and distribution systems. Natural gas is purchased and distributed to customers by means of Company-owned transmission and distribution systems and steam is generated and distributed to customers through Company-owned underground facilities.

The Company has been experiencing problems common to the utility industry in general, including (1) increasing costs of fuel, wages and materials, (2) large capital outlays, longer construction periods and protracted regulatory proceedings for larger and more complex new generating units needed to meet current and future service requirements of customers, (3) reliance on capital markets with high costs of both equity and borrowed capital, (4) compliance with environmental requirements and (5) regulatory lag in the granting of needed rate increases.

The Company is expanding its utility plant in an ongoing effort to meet the increasing demands on its system. Capital expenditures for these purposes and for the replacement of existing facilities amounted to approximately $205 million in 1979. The Company's current estimate of such expenditures during 1980 is approximately $174 million. This includes $154 million for the electric department, $14 million for the gas department and $6 million for common plant. The capital expenditures for 1979 and 1980 do not include non-cash items such as allowance for funds used during construction.

The Company c nducts a continuing review of its construction program. This pro am and the above estimate are subject to revision based upon anges in assumptions as to system load growth, rates of inflation, receipt of adequate and timely rate relief, the availability and timing of regulatory approvals and the availability and costs of outside sources of capital.

The cash requirements for the construction program are expected to be obtained from (1) internal sources, which the Company estimates will provide from 10% to 20% of its capital needs, (2) bank loans and the sale of commercial paper, (3) the sale of additional debt and equity securities and (4) other outside financing. After the sales of the new First Mortgage Bonds and the new Common Stock (see Note 7 of the Supplementary Notes to Financial Statements in this Form 10-K), the Company expects that approximately $80 million of additional external financing will be required during the balance of 1980, including the possible sales of additional Common Stock and First Mortgage Bonds.

In addition to SDG&E's utility operations, it has four subsidiaries which are involved in the following non-utility operations:

1. To design, build, own, operate and maintain central energy plants to supply energy to meet individual customer thermal energy requirements.

2. To conduct exploration and development activities or support those being conducted by others, primarily for the development of natural resources.

3. To engage in the acquisition, ownership, development, maintenance, operation and sale of real property and associated personal property.

4. To facilitate financing transactions on behalf of the parent.

Sales are to various types of customer classes. Following is a tabulation for the last five calendar years of the amount of revenue contributed by classes:

Revenue by Class of Service (Millions of $)	1979	1978	1977	1976	1975
Electric					
Residential	$212.4	$183.4	$153.0	$145.0	$117.7
Commercial & Industrial	326.3	281.7	216.9	210.8	156.9
Other	53.8	3.3	52.2	2.3	10.1
Subtotal	592.5	468.4	422.1	358.1	284.7

	1979	1978	1977	1976	1975
Gas					
Residential	$ 73.2	$ 56.5	$ 51.9	$ 52.2	$ 55.8
Other	78.5	87.7	65.9	41.6	33.1
Subtotal	151.7	144.2	117.8	93.8	88.9
Steam	1.0	1.0	0.9	0.8	0.7
Total	$745.2	$613.6	$540.8	$452.7	$374.3

See "Revenues" in Note 1 of Notes to Financial Statements in the 1979 Annual Report to Shareholders, herein incorporated by reference, for explanation of reclassification of 1976-1978 revenue.

LINES OF BUSINESS/INDUSTRY SEGMENTS

The approximate percentages of operating revenues and operating income (exclusive of taxes on income, other income credits and interest charges) attributable to each principal line of business were as follows:

	Operating Revenues		Operating Income	
	Electric	Gas	Electric	Gas
1975	76.1%	23.7%	74.0%	26.0%
1976	79.1	20.7	85.3	14.7
1977	78.1	21.8	74.1	25.9
1978	76.3	23.5	72.2	27.8
1979	79.5	20.4	88.6	11.4

See also Schedules of Financial Information by Segments of Business on page 19 of the Company's Annual Report to Shareholders. Operating income for segment information is not comparable to operating income for lines of business information because segment information includes income taxes in operating income while lines of business excludes income taxes.

SOURCES/AVAILABLITY OF RAW MATERIALS

Electric Fuel Supply

The Company has experienced and will continue to experience some curtailment of gas available for electric generation. However, current estimates indicate that gas will be available for electric generation in 1980 under most weather conditions. Gas for electric generation may also be available in subsequent years depending on weather conditions and the success of various gas supply projects affecting the Company's gas supplier (see "Gas Supply" below).

The Company's fuel oil use in 1979 was 10.9 million barrels and it is estimated that up to 11.6, 12.9 and 14.2 million barrels will be required in 1980, 1981 and 1982, respectively. The Company has adequate inventory and contracts to cover substantially all of these requirements. The Company expects to be able to cover the balance through additional purchases or through the increased availability of natural gas during this period. In addition, the Company has contracted for additional quantities of fuel oil to cover a portion of its anticipated requirements into 1984 at prices to be negotiated in the future (see Note 6 of Notes to Financial Statements in the 1979 Annual Report to Shareholders). The Company's principal suppliers of fuel oil are Hawaiian Independent Refinery, Inc. and Tesoro Alaska Petroleum Company.

The nuclear fuel cycle for the Company's nuclear generating facilities is comprised of the following: (1) the mining and milling of ore to produce uranium concentrate, (2) the conversion of uranium concentrate to uranium hexafluoride, (3) the enrichment of the uranium hexafluoride, (4) the fabrication of fuel assemblies and (5) the storage of spent fuel and, if permitted by Federal energy policy, its reprocessing.

The Company and Southern California Edison Company ("Edison") have contracts for nuclear fuel cycle services for the San Onofre Nuclear Generating Station which fulfill requirements through and including the years indicated as follows:

	Unit 1	Units 2 and 3
Mining and milling(1)	1986	1984(2)
Conversion	1990	1990
Enrichment	2005	2008
Fabrication	1992	1984
Storage and reprocessing	(3)	(3)

(1) The Company's suppliers of uranium concentrate are Homestake Mining Company, Pathfinder Mines Corporation and a joint venture between Rocky Mountain Energy Company and Mono Power Company, a subsidiary of Edison.

(2) During the period from 1985 through 1988, part of the uranium requirements are under contract.

(3) Spent fuel from Unit 1 is presently being stored at the plant site and at General Electric's Midwest Storage Facility at Morris, Illinois. Such storage capacity is adequate at least through 1986 for Unit 1 and is expected to be adequate for Units 2 and 3 at least through 1990. The Company has no contractual commitment for the reprocessing of spent fuel from Units 1, 2 or 3. The cost and availability of reprocessing services are presently uncertain in view of the Federal policy to defer indefinitely

the commercial development of reprocessing facilities in the United States. Should reprocessing be unavailable to the Company when existing storage limits are reached, additional arrangements for such storage would be required, although their cost or availability cannot presently be determined.

The availability and cost of the various components of the nuclear fuel cycle for the Company's nuclear facilities, to the extent not currently provided by contract, cannot accurately be predicted at this time.

The Company has contracted for firm purchases of capacity and energy as more fully explained in Note 5 of Supplementary Notes to Financial Statements in this Form 10-K.

Gas Supply

The Company currently purchases all of its gas from Southern California Gas Company ("SoCal"). The gas is delivered through three transmission pipelines with a combined capacity of 424,000 Mcf per day. The Company's contract with SoCal presently provides for delivery of up to 221,000 Mcf per day on a contract demand basis. It also has provisions for delivery of additional peaking gas to meet the Company's high priority gas requirements during winter months. For the 1979-1980 winter period, additional peaking gas deliveries of up to 102,000 Mcf per day were allowed up to an aggregate of 5,868,000 Mcf for the entire period. The contract is an automatic annually renewable 5-year agreement subject to termination by either party on 4-years notice. The Company is negotiating with SoCal to modify its contract in accordance with the California Public Utilities Commission ("CPUC") decisions ordering parity of service for the Company's customers and those of SoCal and establishing the end use priority system for natural gas.

El Paso Natural Gas Company ("El Paso") and Transwestern Pipeline Company ("Transwestern") represent the major portion of SoCal's current supplies. Both El Paso and Transwestern have established curtailment plans approved by the Federal Energy Regulatory Commission ("FERC") and deliveries are being made pursuant to these plans rather than under the specific volumetric provisions in their contracts. As a result, SoCal has experienced some curtailment of its natural gas deliveries and anticipates that such curtailments will continue. This has caused some curtailment of deliveries to the Company's own electric generation plants and to other of the Company's lower priority customers (primarily large commercial and industrial users). Current estimates indicate further curtailment of gas for electric generation in 1980 and 1981, but little curtailment of other low priority customers under average weather conditions. No curtailment of gas service to any of the Company's higher priority customers (primarily residential and small commercial users) has occurred and the Company estimates that gas supplies are sufficient under average weather conditions to fully serve higher priority customers and to provide substantial deliveries to lower priority customers through 1985. There are currently no restrictions on the Company's accepting new gas customers except that prior CPUC approval is required with respect to new customers with a maximum peak day demand of 300 Mcf or more. Previously, this requirement had extended to customers with peak demands of 50 Mcf or more. In view of the current estimates of gas availability, the Company does not anticipate that any additional restrictions on new customers will be imposed in the foreseeable future.

To supplement existing gas supplies, SoCal, its affiliates and its suppliers are currently participating in a wide range of long-term gas acquisition projects. If these projects are successful, the cost of such gas is expected to be substantially higher than the cost of gas from present sources. The price and very likely the availability of natural gas to the Company will also be increased as the result of the National Energy Act which will deregulate the price of new supplies of domestic natural gas in various stages through the mid-1980's. The Company cannot currently predict the extent and timing of its effect upon the Company. However, the Company anticipates that any increase in its cost of gas will be recovered through the Purchased Gas Adjustment clause.

The Company's two liquefied natural gas ("LNG") plants provide substantial seasonal load equating capability. The plants produce LNG from pipeline gas delivered during periods of low demand. The LNG is stored and vaporized for use during winter periods of high demand. These plants have a combined storage capacity of 1,820,000 Mcf and a combined delivery capacity of 240,000 Mcf per day.

FRANCHISES AND REGULATIONS

The Company's franchises are in general deemed adequate to permit it to engage in the businesses it now conducts. The Company has separate franchises with the sixteen cities and three counties in its service territory. One franchise has a 25 year term, 3 franchises have a 50 year term and 2 franchises have an indeterminate term for electric service but a 50 year term for gas service. The remaining franchises have an indeterminate term for both electric and gas service.

The Company is subject to regulation by the CPUC, which has the authority, among other things, to establish rates and conditions of service, to regulate the sale of securities and to prescribe rates of depreciation and uniform systems of accounts.

The Company is also subject to regulation by the FERC and the Economic Regulatory Administration ("ERA") of the Department of Energy. The FERC has authority, among other things, to regulate electric rates for sales for resale and to prescribe rates of depreciation and uniform systems of accounts; however, no approval of the FERC is required with respect to sales of the Company's securities. The ERA has authority under the Powerplant and Industrial Fuel Use Act to issue exemptions from the prohibitions on the use of petroleum and natural gas in electric power plants. The ERA also has authority to issue permits for the proposed interconnection with Mexico.

The Company is subject to continuing regulation by the Nuclear Regulatory Commission ("NRC") in connection with the licensing, construction and operation of its nuclear facilities. NRC regulations require extensive review of the safety, radiological and environmental aspects of these facilities. The NRC from time to time requires that the design of a nuclear power plant or certain of its components be reanalyzed using newly developed data and techniques and, if changes are necessary or desirable, requires modifications to the plant or its components as a condition of its continued operation. An application to the NRC for a permanent operating license for San Onofre Unit 1 is pending. Unit 1 has been operating commercially since 1968 pursuant to a provisional operating license.

The Company is also subject to regulation by the California Energy Commission ("Energy Commission"). The Energy Commission has responsibility for developing electric demand and supply requirements, encouraging and requiring certain types of energy conservation and developing and coordinating a program of energy research and development. In addition, the Energy Commission certifies power plant sites and related facilities within California.

See also "Environmental Matters" below regarding other regulation of the Company by certain environmental agencies.

A number of the permits, authorizations and licenses (collectively "approvals") the Company obtains in connection with the construction and operation of its generating plants may be revoked or modified by the governmental agency granting such approval if facts appear or events occur which differ significantly from the facts and projections assumed in granting such approval. Discharge and Air Pollution Control District permits (discussed under "Environmental Matters" below) and NRC licenses are the most significant examples of such approvals. Certain approvals, such as discharge permits, are granted for a term less than the expected life of the facility, and will require later renewal. In effect, such approvals subject the Company to continuing regulation by the granting agency as a result of reinterpretation of matters relating to the approval.

ENVIRONMENTAL MATTERS

The Company is subject to numerous Federal, state and local environmental laws and regulations, including those relating to air quality, water quality, land use, noise and aesthetics. Compliance with these laws and regulations has increased and will continue to increase the cost of electric service substantially by requiring changes in the design and operation of existing facilities, as well as changes or delays in the location, design, construction and operation of new facilities. The Company estimates that its capital expenditures for such purposes (including programs for the undergrounding of electric distribution lines and the construction of low profile substations and fuel storage facilities) will be approximately $24 million in 1980 and $37 million in 1981. However, it is difficult to predict with precision how such laws and regulations will be applied to existing and proposed facilities, and the Company may have to revise its estimate substantially in response to developments in these areas. Historically, the CPUC has permitted recovery of these expenditures through rates.

Air Quality

The San Diego Air Pollution Control District ("APCD") has adopted rules governing the sulfur content of fuels used in electric generation, the opacity of stack emissions and the magnitude of the emissions of sulfur dioxide, particulate matter and oxides of nitrogen from electric generating plants. These rules are designed to implement Federal and California ambient air quality standards now in effect and are at least as stringent as any other Federal or California air pollution regulations applicable to the Company. The Company is currently in substantial compliance with all existing APCD rules.

There are currently seven Notices of Violation ("NOV") from the APCD for alleged violation of emissions of oxides of nitrogen and visibility standards. The Company negotiated an agreement to settle all of these NOV's by payment of civil penalties in the amount of $1,300.

Water Quality

The Federal Water Pollution Control Act amendments of 1972 (the "1972 Act") required the Company to obtain National Pollution Discharge Elimination System ("NPDES") permits from the California Regional Water Quality Control Board - San Diego Region for discharge of pollutants, including heated waters, from its steam electric power plants into the waters of the United States. The Company has obtained NPDES permits, expiring in June 1981, for each of its operating plants.

The Company has been required to conduct environmental studies and submit a demonstration for each of its power plant cooling water intakes in accordance with Section 316(b) of the 1972 Act. These demonstrations will be submitted in December 1980. Subsequent requirements to minimize the effects of the cooling water intakes may be required. The Company is unable to predict the cost of construction or modification of the cooling water intakes that may be required.

In October 1974, the Environmental Protection Agency ("EPA") issued regulations under the 1972 Act which would have required Encina Unit 5 and San Onofre Units 2 and 3 to comply with the no-discharge-of-heat requirement by July 1, 1981. San Onofre Units 2 and 3 were subsequently exempted from the requirement. The Company is currently seeking an exemption for Encina Unit 5 and, together with electric utilities throughout the country, has appealed these EPA regulations in a consolidated action before the U.S. Court of Appeals (4th Circuit). On July 16, 1976, the Court remanded to the EPA the challenged regulations for further review and analysis. Unless exemptions or other relief from these EPA regulations can be obtained, extensive and expensive modifications would be required to provide closed-cycle cooling systems for Encina Unit 5. The EPA has yet to issue new regulations.

The Company is unable to predict the terms and conditions of new and renewal permits and their effect on plant or unit availability or on the cost of construction or modification of such plants or units. However, any modifications required by such permits could involve substantial expenditures and certain plants or units may be unavailable for electric generation while such modifications are being completed.

Land Use, Noise and Aesthetics

The Coastal Act of 1976 became effective January 1, 1977, replacing the California Coastal Zone Act of 1972. The Coastal Act establishes, among other things, a comprehensive regulatory plan relating to the use of the California coast, including designation of areas where power plants would not be consistent with the objectives of the Act. The Company was required to obtain coastal permits for San Onofre Units 2 and 3 and Encina Unit 5, issued under the prior act. However, the permits for San Onofre require certain marine discharge studies which are presently underway. The Company does not expect any modifications to the San Onofre discharge system as a result of these studies.

There are currently no compliance problems with respect to applicable noise ordinances and at this time the Company does not anticipate any such problems.

RESEARCH AND DEVELOPMENT

The Company conducts research, development and demonstration activities in the areas of energy supply, transmission and distribution, conservation and renewable energy resources and gives support to outside research organizations.

The Company is supporting the broad, coordinated technology program of the Gas Research Institute ("GRI") and the Electric Power Research Institute, and is actively participating in committees on geothermal, solar, fusion, nuclear, coal gasification and liquefaction, electrical systems and LNG research.

Research on the use of geothermal energy in the Imperial Valley to generate electricity has led to the building and testing of a 10

Mw-sized geothermal loop experimental facility in the vicinity of Niland, California. The U.S. Department of Energy ("DOE") joined the Company as 50% participant in this project. Operational testing started in May 1976 and terminated on September 30, 1979. The sale or decommissioning of this facility is anticipated during 1980.

The Company has undertaken a Commercial Risk Reduction Program to address some of the problems associated with constructing and operating commercial geothermal plants in the Imperial Valley. This program is designed to explore such areas as acquiring cooling water, assessing environmental impacts, evaluating power plant economics and developing reliable components.

The Company has proposed to construct at Heber in the Imperial Valley a 45 Mw net geothermal plant utilizing a binary heat exchange cycle. To help share in the risks associated with developing new technology for the binary cycle, funding support from the DOE has been requested.

A 10 Mw geothermal plant co-sponsored with Magma Electric Company is demonstrating the utilization of Imperial Valley geothermal resources and the binary process of extracting energy.

The Company is evaluating the use of load management and distribution automation systems on its electric network in a pilot project awarded by the DOE. The project tests the effectiveness of sending signals over the power lines to special equipment that controls customer appliances, reads electric meters and also controls the distribution circuits. Approximately 740 customers will be involved in the test program.

The Company is currently conducting a solar energy research project to evaluate the potential for successful utilization of solar energy in building space heating, water heating and space cooling applications. The main objectives of the project are (1) to evaluate the impact of solar heating and cooling on the Company's gas and electric systems, particularly with respect to using gas or electricity as a supplementary off-peak source of energy, (2) to provide an operational system that can be used to evaluate economics and energy conservation potential of solar heating and cooling systems in the Company's service territory, (3) to collect solar data for the areas served by the Company and (4) to evaluate the potential for the Company to market and maintain solar related equipment.

Late in 1977, the DOE contracted with the Company to commence the organization and management of a utility industry program aimed at evaluating the potential for the reintroduction of the High Temperature Gas-Cooled Reactor into the energy marketplace. In February 1978, a group of utilities, including the Company, formed an organization called Gas-Cooled Reactor Associates, which organization has become the successor to the DOE contract with the Company.

A computerized Distribution Facilities Information System is being developed to provide improved capablities for gas and electric distribution, design, mapping, planning and analysis functions.

The feasibility of on-site 40 Kw fuel cell power plants is being studied to determine their operational economics and reliability. The project is being sponsored by the DOE/GRI.

The Company provides technical expertise to governmental bodies in its service territory for a study on the use of municipal waste as a fuel to produce steam and electricity.

The Company uses the resources of the University of California - San Diego Energy Center to perform research on specifically identified tasks. They are presently involved in studies on Solar Applications Analysis, Energy Conservation and Cable Ampacity.

Advanced technologies are assessed to determine feasibility and potential application to benefit ratepayers. Projects are selected with a view toward ensuring an economical, environmentally sound and reliable system.

For amounts of research and development expenditures, see Note 1 (Summary of Accounting Policies - Research, Development and Demonstration) on page 20 of the Company's 1979 Annual Report to Shareholders.

RATE MATTERS

General Rate Matters

On May 15, 1978, the Company filed an application with the CPUC for general rate relief for its electric and gas departments based on a 1979 test year. The Company's application in this proceeding was handled by the CPUC under a new procedure designed to reduce regulatory lag by processing such cases within twelve months of the acceptance of the filing by the CPUC. On January 16, 1979, the CPUC granted partial rate relief in the amount of $33.7 million annually and on June 5, 1979, the CPUC issued a decision, with rates effective June 10, 1979, granting an additional $37.2 million annually. The June 5th rate decision authorized a 10.59% return on rate base and a 14.5% return on common equity, based on the 1979 test year. The decision also authorized the Company to recover virtually all the costs associated with the suspended Sundesert nuclear project either through rate base treatment or amortization. See Note 8 of Notes to Financial Statements in the 1979 Annual Report to Shareholders for further discussion of this matter.

In the June 5th decision, the CPUC requested that the Company submit its next general rate application based on the test years of 1981 and 1982. The CPUC indicated that it would consider, upon showing of need, granting a partial general rate increase for the 1981 test year, but would determine final rates based on a 1982 test year not to become effective prior to January 1, 1982. On March 12, 1980, the Company tendered a notice of intent to the CPUC that it plans to request general rate relief for its electric and gas departments of approximately $107 million based on a 1981 test year. Later in the year the Company plans to file another request for general rate relief based on a 1982 test year.

Energy Cost Adjustment Clause

The CPUC has adopted an Energy Cost Adjustment Clause ("ECAC") which is designed to permit the Company to recover its electric energy costs through periodic rate adjustments. Differences between revenues derived from the ECAC and the actual energy costs are determined monthly and recorded in a balancing account to eliminate any effect upon net income. Each time an ECAC adjustment is made, the then existing amount in the balancing account plus interest thereon is incorporated into the adjustment.

In August 1979, the CPUC instituted a generic proceeding to determine the effectiveness of the ECAC procedures. On January 29, 1980, the CPUC issued two interim orders. In the first decision, the CPUC revised the rate for accruing interest on the Company's balancing accounts (including ECAC) and customer deposits from a fixed rate of 7% to a monthly floating interest rate based on the Federal Reserve Bank's published prime 90-day commercial paper rate plus 1/2 of 1%. For March 1980, the annualized rate applied to the balancing accounts is 14.28%. This revision should provide interest accruals which more closely approximate the Company's actual short-term borrowing rates.

The second interim decision implemented changes designed to improve the matching of cash expenses to current rates. The modifications allow the use of estimated fuel prices, estimated balancing account balances and a forecasted resource mix and sales estimate rather than the historical data previously utilized. In addition, the CPUC decreased the minimum interval between filing dates from six months to four months. The Company believes that these revised procedures provide for more timely amortization of existing balancing account undercollections and should help reduce the Company's short-term borrowing requirements.

Effective December 20, 1979, the CPUC authorized an increase in ECAC revenues of approximately $41.5 million on an annual basis. On January 29, 1980, the Company filed an application requesting a further increase of approximately $152 million in annualized ECAC revenues. In this application, the Company requested permission to amortize the existing amount in the balancing account over a six-month period, rather than the usual twelve-month period, to accelerate recovery of ECAC undercollections. Hearings on this application were held in early March and the matter is awaiting decision.

Gas Rates

The CPUC has authorized the Company to adopt a Purchased Gas Adjustment ("PGA") clause in its gas tariff schedules to permit the Company to offset, subject to CPUC approval, changes in the cost of gas from its suppliers, principally SoCal. The Company maintains a PGA balancing account to adjust for over and under collections of such gas costs under this procedure. The Company is also authorized to offset certain gas cost increases relating to SoCal's gas exploration and development program. Under these procedures, the Company has been able to offset nearly all increases in natural gas costs from its suppliers.

In connection with the implementation of a PGA on July 19, 1977, the CPUC ordered comprehensive changes in the gas rate structure for both the Company and SoCal by inverting the traditional declining block rate structure and eliminating all differences in rates relating to density and population. On May 16, 1979, the California Supreme Court annulled the CPUC decision due to lack of sufficient findings and ordered the CPUC to determine an appropriate method to spread the rate increase and to order refunds and surcharges if appropriate. There has been no net change in the Company's total revenues as a result of this decision. Hearings were held in November 1979 and additional hearings are expected in 1980.

The CPUC has adopted a gas supply adjustment mechanism ("SAM"), which ensures that gas utilities recover the same gas margin (gas sales revenues less gas purchase costs), but not more, found reasonable in the last general rate case. Each month actual purchased gas costs are subtracted from recorded sales revenues and the difference is compared to the allowed margin on such sales. Credits or debits are made to a balancing account for any variations and these are amortized through rates in subsequent periods. Since the margin is fixed until the next rate case, the SAM, with its balancing account, should eliminate the effects on earnings caused by unexpected changes in gas supply or gas sales. It reduces the risks to the utility but does not guarantee that the utility will earn its authorized rate of return since increases in operating costs are not covered under this procedure. The SAM procedure and balancing account became effective for the Company on October 15, 1978.

On March 9, 1979, the Company filed a PGA/SAM application for an increase of $40.7 million annually to pass through the net effect of an increase in charges from SoCal and an overcollection in the SAM balancing account. The requested increase included $5.5 million still pending from an earlier PGA application. On June 19, 1979, the CPUC authorized the $5.5 million increase and by interim order authorized $18.1 million of the balance requested in the March 9, 1979 application. Both amounts were subject to surcharge or refund pending final determination as to the appropriate method of spreading the rate increase among different classes of customers. Further hearings on this issue and on the balance of the Company's request were held in September 1979. On January 15, 1980, the CPUC authorized a PGA/SAM increase of approximately $21.8 million.

In January 1980, the CPUC authorized an additional increase of $9.8 million in purchased gas costs from SoCal to the Company. Subsequently SoCal applied to the CPUC for another increase in its gas rates. The Company has requested authority to pass on to its customers these additional increases in purchased gas costs in an aggregate amount of approximately $78 million. This request is currently pending.

EMPLOYEES OF REGISTRANT

The Company had 4,740 regular employees, 19 of whom are officers, at December 31, 1979.

SEASONAL NATURE OF BUSINESS

For reasons detailed in the Company's 1978 Form 10-K, the Company does not consider that its financial statements are influenced by seasonal factors.

OTHER

There is no single customer or small group of customers, the loss of which would have a materially adverse effect on the business of the Company.

The status of backlog of orders is not applicable to the Company or its subsidiaries.

Neither the Company nor its subsidiaries engage in business in foreign countries.

Item 2. SUMMARY OF OPERATIONS

See "Summary of Operations" and "Management's Discussion and Analysis of the Summary of Operations" on pages 12 and 13 of the Registrant's 1979 Annual Report to Shareholders.

Item 3. PROPERTIES

Substantially all utility plant is subject to the lien of the mortgage and deed of trust, dated July 1, 1940, and supplemental indentures thereto.

Electric Properties

As of December 31, 1979, the installed generating capacity of the Company was 2,438 Megawatts, as shown in the following table:

Plant	Location	Fuel	Net Generating Capability (Megawatts)
Station B	San Diego, CA	Gas/Oil	87
Silver Gate	San Diego, CA	Gas/Oil	230
Encina (1)	Carlsbad, CA	Gas/Oil	917 (1)
South Bay	Chula Vista, CA	Gas/Oil	706
San Onofre (2)	San Clemente, CA	Nuclear	87 (2)
Combustion Turbines	San Diego County, CA	Gas/Oil	411
		TOTAL	2,438

(1) Includes 320 Mw from Encina Unit 5 operating under a sale/leaseback agreement.

(2) Represents the Company's 20% share. The remaining 80% is owned by Edison.

In regard to new electric generating facilities, the Company proposes the following additions to generating capacity:

Plant/Unit	Location	Fuel	Planned Operating Date	Net Capability (Megawatts)
San Onofre Units 2&3	San Clemente, CA	Nuclear	1981 & 1983	440 (1)

(1) Represents the Company's 20% share.

As of December 31, 1979, the Company owned and operated 8,162 pole miles of transmission and distribution overhead lines, 4,326 miles of underground lines and 218 substations.

Gas Properties

The following table sets forth the Company's gas facilities which are located in San Diego and Riverside Counties, California.

Storage Facilities

Plant	Location	Total Storage Capacity	Delivery Capacity
LNG Plant 1	Chula Vista, CA	620,000 Mcf	120,000 Mcf/day
LNG Plant 2	Chula Vista, CA	1,200,000 Mcf	120,000 Mcf/day

Transmission Facilities

Station	Location	Total Compressor Horsepower
Moreno Compressor Station	Moreno, CA	7,700
Rainbow Compressor Station	Rainbow, CA	3,060

As of December 31, 1979, the Company owned and operated 127 miles of high pressure transmission lines, 4,660 miles of high and low pressure distribution mains and 3,934 miles of service lines.

General Properties

The 21-story corporate office building is located at 101 Ash Street, San Diego, California. The building is occupied pursuant to a long-term lease. Terms of the lease provide for minimum annual rentals of $1,945,000 for a period of 30 years commencing in 1975 and include four separate five-year renewal options at fair market value.

Additional properties include seven district operating centers, associated facilities and equipment required for construction and maintenance of the Company's electric and gas transmission and distribution systems.

Properties of Subsidiaries

The following is a brief general description of the properties owned by the Company's subsidiaries:

Applied Energy, Incorporated is engaged in special energy related services to commercial and industrial customers in San Diego County. Its properties consist primarily of two owned central chilled water plants and three owned and one leased central steam plants that supply steam to local facilities.

Item 3. PROPERTIES Cont'd

Japatul Corporation is a land holding and development subsidiary. Its largest holding is 850 acres of land adjoining Palomar Airport near Carlsbad, California.

New Albion Resources Co. is engaged in the exploration and development of fuel resources. Its properties consist primarily of geothermal leases in California and coal leases on the Kaiparowits Plateau in southern Utah.

Califia Company is organized solely to facilitate financing transactions on behalf of the parent and has no properties.

Item 4. PARENTS AND SUBSIDIARIES

Parent of San Diego Gas & Electric Company: NONE

Subsidiaries of San Diego Gas & Electric Company as of March 15, 1980 are as follows:

Name of Company Controlled (All incorporated in California)	Kind of Business	Percentage of Voting Stock Owned
Applied Energy, Incorporated	Energy Related Services	100%
Califia Company	Financing for Parent	100%
Japatul Corporation	Land Holding & Development	100%
New Albion Resources Co.	Fuel Exploration & Development	100%

All subsidiaries as of December 31, 1979 are accounted for by the equity method. Separate financial statements have not been filed because the impact of the subsidiaries is insignificant in the aggregate.

Item 5. LEGAL PROCEEDINGS

LITIGATION

FERC Consolidated Dockets E-7777 and E-7796

SDG&E is party to a contract dated January 14, 1969 among seven companies located in Western States which provides for purchase and sale of electricity between companies located in California and companies located in the Pacific Northwest (the "Seven Party Agreement"). In 1972 the FERC instituted an investigation (Present Docket E-7796) to consider allegations made by California municipalities that the Seven Party Agreement is anti-competitive. In July 1978, the Northwest Companies terminated the Agreement and requested dismissal of the proceeding. Hearings have been conducted on the motion for dismissal and the matter is pending before a FERC Administrative Law Judge.

The Company is also a party to the California Power Pool Agreement, dated July 20, 1964 ("CPP Agreement"). In 1974 the FERC commenced an investigation (Docket E-7777) to consider allegations made by California municipalities that the CPP Agreement is anticompetitive. The Company was not made a party to the latter investigation.

In December 1978, the FERC issued an order consolidating the two investigations, holding that the California Companies Pacific Intertie Agreement ("Intertie Agreement"), dated August 25, 1966, and all contracts and practices affecting or relating to the Intertie Agreement are within the range of the CPP Agreement investigation. The Company is a party to all issues of the consolidated proceeding.

The relief sought by the municipalities, and apparently by the FERC Staff, includes (1) revision of the Seven Party Agreement and the CPP Agreement to add municipalities as parties and otherwise to modify the terms of such agreements and (2) revision of the Intertie Agreement to transfer rights to use transmission capacity now exercised by the California Companies (including SDG&E) to others, including municipalities. These proceedings are now pending before an Administrative Law Judge at the FERC.

Antitrust Allegations by DWR Before the FERC

On December 30, 1977, SDG&E requested permission of the FERC to increase the rate for off-peak energy sold to the California Department of Water Resources ("DWR") pursuant to a contract dated August 1, 1967. The DWR has not yet responded to SDG&E's application. However, it has responded to comparable applications submitted by the other California utilities, which are sellers of off-peak energy under the same contract, by opposing the requested rates on the grounds, among other things, of anticompetitive conduct on the part of SDG&E and the other utilities. The Cities of Anaheim and Riverside have moved to intervene in the proceeding, contending that limitations on the scope of the transmission service provided in the contract are anticompetitive. SDG&E has opposed such intervention. In May 1978, the Company submitted to the FERC a settlement agreement, executed by it and the DWR. The FERC has taken no action on the requests to intervene or on the proposed settlement agreement.

The Company is a party to a suit by Edison in the Los Angeles Superior Court against the Los Angeles Department of Water and Power ("LADWP"). Edison seeks to enjoin the LADWP's breach of certain contractual provisions relating to the supply of energy by Edison, th

Company, Pacific Gas and Electric Company and the LADWP to the State Water Project. If this suit is unsuccessful, the Company may be required to provide a portion of the LADWP's obligation at a price below its current costs. The Company cannot predict the financial impact of this matter on future operations.

Litigation discussed in the 1978 Form 10-K was either dismissed or settled in favor of the Company during 1979 except for San Diego Gas & Electric Company vs. City of San Diego, et al. (see the Company's Form 10-K for 1977) which is pending in the United States Supreme Court.

ENVIRONMENTAL MATTERS

See Item 1. Business (Environmental Matters) on page 8 of this annual report on Form 10-K.

Item 6. INCREASES AND DECREASES IN OUTSTANDING SECURITIES AND INDEBTEDNESS

EQUITY SECURITIES

Common Stock, $5 par value	Par Value	No. of Shares
Outstanding at December 31, 1978	$137,964,045	27,592,809
Add:		
Shares issued in public offering on July 17, 1979; closing date of sale July 24, 1979 (Registration No. 2-64808)	15,000,000	3,000,000
The shares were sold to the public through underwriters represented by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Blyth Eastman Dillon & Co. Incorporated, at a price to the public of $15.00 and underwriting discount of $0.50 per share. The net cash proceeds of $43.5 million were used to retire a portion of short-term indebtedness incurred for the construction program.		
Shares issued pursuant to the Automatic Dividend Reinvestment Plan throughout 1979 (Registration No. 2-61421)	1,292,190	258,438

Item 6. INCREASES AND DECREASES IN OUTSTANDING SECURITIES AND INDEBTEDNESS Cont'd

Shares issued pursuant to the Savings Plan throughout 1979 (Registration Nos. 2-61166 and 2-64000)	1,684,950	336,990
Outstanding at December 31, 1979	$155,941,185	31,188,237

DEBT SECURITIES AND OTHER INDEBTEDNESS

Registered Securities

$50,000,000 First Mortgage Bonds, 9.30% Series N due 1979, were retired December 17, 1979.

Unregistered Securities

Changes to Other Long-Term Debt during 1979 consisted principally of additions to Pollution Control Bonds (reference is made to Part II of the Company's March 31, 1979 Form 10-Q) and seven-year intermediate term loans from three banks (reference is made to Part II of the Company's June 30, 1979 Form 10-Q).

Item 7. CHANGES IN SECURITIES AND CHANGES IN SECURITY FOR REGISTERED SECURITIES

None.

Item 8. DEFAULTS UPON SENIOR SECURITIES

None.

Item 9. APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS

Title of Class	Number of Record Holders (as of 12/31/79)
COMMON EQUITY:	
Common Stock, $5 par value	76,447
PREFERRED STOCK: Cumulative preferred stock, $20 par value	
5% Series	1,717
4-1/2% Series	600
4.40% Series	663
4.60% Series	221

Item 9. APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS Cont'd

PREFERENCE STOCK:
(Cumulative) without par value

$9.84 Series	2,071
$7.80 Series	1,341
$7.20 Series	583
$7.325 Series	1
$8.25 Series	17
$2.68 Series	3,265
$9.125 Series	3
$2.475 Series	3,425

Item 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable.

Item 11. INDEMNIFICATION OF DIRECTORS AND OFFICERS

See the Company's annual report on Form 10-K, Item 12, for the year 1977. Information for this item has remained unchanged since that report was filed.

Item 11A. EXECUTIVE OFFICERS OF THE REGISTRANT

Name	Age	Positions
*ROBERT E. MORRIS	58	Director, President and Chief Executive Officer of the Registrant since November 1975. Senior Vice President of the Registrant from 1971 through 1975.
*THOMAS A. PAGE	47	Director of the Registrant since April 1979. Executive Vice President and Chief Operating Officer of the Registrant since May 1978. With Gulf States Utilities Company as Executive Vice President and Director from 1977 to 1978. Executive Vice President from 1976 to 1977. Senior Vice President-Finance in 1975.
*J. ROBERT BELT	51	Vice President - Administrative Services of the Registrant since October 1979. Senior Vice President - Administration of the Registrant from 1976 to 1979. Senior Vice President of the Registrant from 1975 to 1976. Vice President - Administrative Services of the Registrant from 1972 through 1975.

GARY D. COTTON	39	Vice President - Engineering of the Registrant since April 1979. Manager - Licensing and Environmental of the Registrant from 1976 to 1979. Supervisor - Licensing and Environmental of the Registrant in 1975.
*ALTON T. DAVIS	42	Vice President - Gas of the Registrant since April 1976. Manager - Gas Division of the Registrant from 1975 to 1976. Superintendent - Gas Operations of the Registrant from 1971 to 1975.
FRANK W. DEVORE	52	Vice President - Governmental Affairs of the Registrant since April 1976. Director of Governmental Affairs of the Registrant from 1975 to 1976. Manager - Engineering Land of the Registrant from 1965 to 1975.
*DAVID W. GILMAN	57	Vice President - Power Supply of the Registrant since October 1979. Senior Vice President - Operations of the Registrant from 1976 to 1979. Senior Vice President of the Registrant from 1973 to 1976.
JOHN E. HAMRICK	53	Vice President - Marketing of the Registrant since April 1973.
JAMES J. HOLLEY	60	Vice President - Personnel of the Registrant since April 1969.
*WILLIAM J. KARNES	57	Secretary of the Registrant since May 1974.
PHILIP M. KLAUBER	64	Vice President - Consultant of the Registrant since October 1979. Vice President - Customer Services of the Registrant from 1965 to 1979.
*RICHARD KORPAN	38	Treasurer of the Registrant since January 1979. With Public Service Company of Colorado as Manager - Financial Services from 1977 to 1979. Director of Treasurer Operations from 1975 to 1977. Acting Director of Treasurer Operations from 1974 to 1975.
RALPH L. MEYER	57	Vice President - Regulatory Services of the Registrant since October 1979. Senior Vice President - Finance of the Registrant in 1979. Senior Vice President and Treasurer from 1976 to 1978. Senior Vice President of the Registrant from 1975 to 1976. Vice President - Finance of the Registrant from 1973 to 1975.

ROBERT E. PARSLEY	58	Controller of the Registrant since June 1966.
GORDON PEARCE	50	Vice President and General Counsel of the Registrant since April 1977. Director of the Registrant since February 1976. Vice President - General Attorney of the Registrant from 1970 to 1977.
R. DENIS RICHTER	53	Vice President - Public Relations of the Registrant since April 1976. Director - Public Relations of the Registrant from 1969 to 1976.
JACK E. THOMAS	48	Vice President - Customer and Operations Services of the Registrant since October 1979. Vice President - Electric of the Registrant from 1978 to 1979. Vice President - Distribution Services of the Registrant from 1976 to 1978. Vice President - Power Plant Engineering and Construction of the Registrant from 1974 to 1976.
*RONALD W. WATKINS	38	Vice President - Resource Planning of the Registrant since April 1979. Manager - Resource Planning of the Registrant from October 1976 to April 1979. Manager - Electric Systems Planning of the Registrant from August 1976 to October 1976. Resource Planning Supervisor of the Registrant from May 1976 to August 1976. System Forecasting Supervisor for the Registrant from December 1975 to May 1976.
JOHN H. WOY	63	Vice President - Regulatory Consultant of the Registrant since October 1979. Vice President - Rates and Valuation of the Registrant from 1967 to 1979.

*Also a director or officer of one or more of the Company's four wholly-owned subsidiaries, as follows:

Item 11A. EXECUTIVE OFFICERS OF THE REGISTRANT Cont'd

TITLE	NEW ALBION RESOURCES CO.	JAPATUL CORPORATION	APPLIED ENERGY, INCORPORATED	CALIFIA COMPANY
President	**R. E. Morris	**R. E. Morris	**R. E. Morris	**R. E. Morris
Vice President and Chief Financial Officer				**T. A. Page
Vice President	**R. W. Watkins	**J. R. Belt	**D. W. Gilman **A. T. Davis	**R. Korpan
Vice President - Finance	R. Korpan			
Treasurer	R. L. Haney	R. L. Haney	R. L. Haney	
Secretary	**W. J. Karnes	**W. J. Karnes	W. J. Karnes	W. J. Karnes
Assistant Secretary				G. S. Cohn

**DIRECTORS

There is no family relationship between any of the executive officers.

Item 12. FINANCIAL STATEMENTS, EXHIBITS FILED AND REPORTS ON FORM 8-K

TABLE OF CONTENTS TO FINANCIAL STATEMENTS AND SCHEDULES

The following financial statements are included in the Company's 1979 Annual Report to Shareholders which is attached hereto and are filed as a part of this annual report on Form 10-K.

The following supplementary information is included herein:

Supplementary Notes to Financial Statements:

Supplementary Financial Schedules:

Schedule V - Utility Plant for the years ended December 31, 1979 and 1978.

Schedule VI - Accumulated Depreciation and Amortization of Utility Plant for the years ended December 31, 1979 and 1978.

All other schedules are omitted because of the absence of the conditions under which they are required or because the required information is included in the financial statements and notes in the Company's 1979 Annual Report to Shareholders.

Report of Deloitte Haskins & Sells, Certified Public Accountants.

REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the three months ended December 31, 1979.

EXHIBITS

None.

(1) Supplementary Income Statement Information

Maintenance of property, plant and equipment, other than transportation and construction equipment, is charged to operating expenses. Maintenance and depreciation of transportation and construction equipment are charged to clearing accounts and subsequently distributed to operations and construction.

Maintenance and repairs, depreciation and property taxes charged directly to operations are shown separately in the Statements of Income. Royalties, taxes other than income and property taxes and advertising costs have not been significant.

Rents charged to operations are included in Note 6 of Notes to Financial Statements in the Company's 1979 Annual Report to Shareholders.

(2) Nuclear Fuel Storage and Dismantling Costs

The Company has a 20% ownership share of the San Onofre Nuclear Generating Station. As of December 31, 1979, the Company has $1.3 million of accrued net salvage value for nuclear fuel consumed prior to 1975.

Since 1975, nuclear fuel costs associated with San Onofre Unit 1 have been amortized on the basis of zero net salvage value. The CPUC, in the general rate decision of July 1977, permitted the Company to amortize the accrued net salvage over a future five-year period with concurrent rate recovery. The Company makes no provision for future storage or disposal costs for spent nuclear fuel, but charges those costs to expense as incurred with rate recovery to be obtained through the provisions of the Company's ECAC.

The Company estimates its share of future dismantling and decontaminating costs for San Onofre Unit 1 will be approximately $11 million. In a rate decision in June 1979, the CPUC granted the Company permission to adjust its depreciation accruals for San Onofre Unit 1 so that these dismantling and decontaminating costs could be fully accrued over the remaining life of the unit and adjusted the Company's rates to reflect the revised depreciation rates.

(3) Supplementary Information to Disclose the Effects of Changing Prices (Unaudited)

In Accounting Series Release No. 271, the Securities and Exchange Commission waived the requirement to disclose the estimated cost of replacing productive capacity if, for 1979, companies reported "current cost" information as required by Statement of Financial Accounting Standards No. 33. Since the Company has disclosed "current cost" information in the Supplementary Information to Disclose the Effects of Changing Prices in its Annual Report to Shareholders (pages 24-25), no attempt has been made to determine or report "replacement cost".

(4) Jointly-Owned Electric Utility Plant

As indicated in Note (2), the Company has a 20% share in the San Onofre Unit 1 nuclear power plant, which is included in total plant in service (cost, $33 million). Accumulated depreciation for the Company's share of such plant is $10 million at December 31, 1979. In addition, at December 31, 1979 the Company has a 20% share ($379 million) in San Onofre Units 2 and 3, which are currently under construction, included in construction in progress. The Company must provide its own financing for such costs. The Company's share of direct expenses of San Onofre Unit 1 are included in the corresponding operating expenses in the Statements of Income.

(5) Long-Term Contracts for Purchase of Electric Power

On November 29, 1978, the Company and Tucson Electric Power Company entered into a ten-year power sale and interconnection agreement (the "Agreement") providing for deliveries to the Company of approximately 100 to 150 Mw of power, with certain provisions to acquire additional power (up to 500 Mw) during the later years of the Agreement if planned transmission and generating capability becomes available. Estimated costs in the early phases of the contract range from a demand charge of $6.90/Kw month plus an energy charge of 12 mills/kwhr to a demand charge of $13.60/Kw month plus an energy charge of 7-10 mills/kwhr. Energy costs for the later phases of the contract will be based on rate formulas contained in the Agreement with the actual rates established at the time the appropriate phase begins. The Agreement has been approved by the FERC.

During 1979 the Company entered into an agreement to purchase 236 Mw of power from Public Service Company of New Mexico ("PNM") beginning with the commercial operation of a planned generating unit expected May 1, 1982. If planned generating capability does not become available, the 236 Mw of power is subject to reduction. The capacity charge (ranging from $20.50 to $15.25/Kw month) for the six-year contract term is $297 million, assuming deliveries of the full 236 Mw. The energy charge will be based upon future fuel and operating costs of the PNM plant. The Company is currently awaiting FERC approval of the agreement.

(6) Income Taxes

Total income tax expense was less than the amount computed by applying the Federal and state statutory rates to income before income tax. The reasons for this difference are as follows:

	(Thousands of Dollars)	
	1979	1978
Tax expense at statutory rates	$38,089	$37,636
Reductions in taxes resulting from:		
Excess of tax over book depreciation	12,454	11,099
Regulatory revenue adjustments - net	7,440	7,439
Allowance for funds used during construction	12,835	11,465
Payroll and use taxes capitalized	3,068	1,980
Employee benefits capitalized	2,634	3,001
Gain on sale of Encina Unit 5	469	(22,407)
Sundesert suspension	(2,732)	19,925
Operating loss carryforward utilized	385	2,030
Other - net	(157)	3,740
Total tax reductions	36,396	38,272
Current tax expense (credit)	1,693	(636)
Deferred tax effect of Encina Unit 5 sale - net	460	(14,036)
Deferred tax effect of Sundesert suspension - net	(2,440)	12,481
Deferred tax effect of regulatory revenue adjustments - net	5,588	5,873
Deferred investment tax credits - net	(54)	1,482
Deferred taxes other - net	(524)	(524)
Total income tax expense	$ 4,723	$ 4,640
Allocation of income tax expense:		
Federal	$11,200	$10,180
Deferred investment tax credits - net	(54)	1,482
State franchise	3,519	3,727
Deferred tax effect of Encina Unit 5 sale - net	460	(14,036)
Deferred tax effect of Sundesert suspension - net	(2,440)	12,481
Deferred taxes other - net	(524)	(524)
Operating expenses - income taxes	12,161	13,310
Other income credits - other - net	(7,438)	(8,670)
Total income tax expense	$ 4,723	$ 4,640

(7) Event Subsequent to Date of Opinion of Independent Certified Public Accountants

In March 1980, the Company sold $50 million of First Mortgage Bonds, 16%, Series S due 2010 and 2.5 million shares of Common Stock.

SCHEDULE V

SAN DIEGO GAS & ELECTRIC COMPANY

UTILITY PLANT

DECEMBER 31, 1978

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Other Changes Debit or (Credit)	Balance at Close of Period
Electric Utility Plant					
Intangible Plant	195				195
Production Plant	310,749	36,173	575		346,347
Transmission Plant	105,880	17,576	1,975	3	121,484
Distribution Plant	417,127	54,051	4,421	(1)	466,756
General Plant	9,170	320	331	(5)	9,154
Plant Held for Future Use	36,680	85		26,763(A)	63,528
Work in Progress	384,439	115,572		(176,145)(A)(B)	323,866
Electric Plant Acq. Adjustment	816				816
Total Electric Utility Plant	1,265,056	223,777	7,302	(149,385)	1,332,146
Gas Utility Plant					
Intangible Plant	85	2			87
Storage Plant	13,300	40			13,340
Production Plant	838		763	(75)	-
Transmission Plant	18,788	132	21	76	18,975
Distribution Plant	164,748	12,854	388		177,214
General Plant	2,210	34	61	5	2,188
Plant Held for Future Use	45				45
Work in Progress	1,189	(124)			1,065
Total Gas Utility Plant	201,203	12,938	1,233	6	212,914

SCHEDULE V

SAN DIEGO GAS & ELECTRIC COMPANY

UTILITY PLANT

DECEMBER 31, 1978

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Other Changes Debit or (Credit)	Balance Close of Period
Steam Utility Plant					
Steam Plant in Service	1,260	18	1		1,277
Work in Progress	3	4			7
Total Steam Utility Plant	1,263	22	1		1,284
Common Utility Plant					
Common Plant in Service	20,352	2,041	554	(3)	21,836
Work in Progress	237	55			292
Total Common Utility Plant	20,589	2,096	554	(3)	22,128
Nuclear Fuel	16,694	113		(5,622)(C)	11,185
Total Utility Plant & Nuclear Fuel	1,504,805	238,946	9,090	(155,004)(D)	1,579,657

(A) Transfer of Sundesert nuclear project site-related costs to Plant Held for Future Use
(B) Sale of Encina Unit 5 ($107,043) and transfer of Sundesert nuclear project non-site-related costs ($42,339) to Deferred Debits
(C) Transfer of prepaid enrichment charges for Sundesert nuclear project to Deferred Debits
(D) All other charges are due to transfers

SCHEDULE V

SAN DIEGO GAS & ELECTRIC COMPANY

UTILITY PLANT

DECEMBER 31, 1979

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Other Changes Debit or (Credit)	Balance at Close of Period
Electric Utility Plant					
Intangible Plant	195				195
Production Plant	346,347	12,082	1,811		356,618
Transmission Plant	121,484	11,745	507		132,722
Distribution Plant	466,756	61,183	3,485		524,454
General Plant	9,154	738	205	(10)	9,677
Plant Held for Future Use	63,528	2,028			65,556
Work in Progress	323,866	122,319			446,185
Electric Plant Acq. Adjustment	816				816
Total Electric Utility Plant	1,332,146	210,095	6,008	(10)	1,536,223
Gas Utility Plant					
Intangible Plant	87				87
Storage Plant	13,340	223	64		13,499
Transmission Plant	18,975	469	16		19,428
Distribution Plant	177,214	15,247	578		191,883
General Plant	2,188	92	80		2,200
Plant Held for Future Use	45				45
Work in Progress	1,065	(161)			904
Total Gas Utility Plant	212,914	15,870	738		228,046

SAN DIEGO GAS & ELECTRIC COMPANY

UTILITY PLANT

DECEMBER 31, 1979

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Other Changes Debit or (Credit)	Balance at Close of Period
Steam Utility Plant					
Steam Plant in Service	1,277	8			1,285
Work in Progress	7	(7)			-
Total Steam Utility Plant	1,284	1			1,285
Common Utility Plant					
Common Plant in Service	21,836	2,343	495	10	23,694
Work in Progress	292	500			792
Total Common Utility Plant	22,128	2,843	495	10	24,486
Nuclear Fuel	11,185				11,185
Total Utility Plant & Nuclear Fuel	1,579,657	228,809	7,241		1,801,225

SAN DIEGO GAS & ELECTRIC COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION

DECEMBER 31, 1978

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Transfers Debit or (Credit)	Balance a Close of Period
Electric Utility Plant					
Production Plant	104,713	10,602	604		114,711
Transmission Plant	24,667	3,339	1,239		26,767
Distribution Plant	92,692	13,869	4,051		102,510
General Plant	4,860	299	319	65	4,905
Plant Held for Future Use	235	121	25		331
Total Accumulated Depreciation	227,167	28,230	6,238	65	249,224
Electric Plant Acquisition Adjustment	408	82			490
Other Utility Plant	1,550	276		(7)	1,819
Total Accumulated Amortization	1,958	358		(7)	2,309
Total Accumulated Depreciation & Amortization	229,125	28,588	6,238	58	251,533

SCHEDULE VI

SAN DIEGO GAS & ELECTRIC COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION

DECEMBER 31, 1978

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Transfers Debit or (Credit)	Balance at Close of Period
Gas Utility Plant					
Storage Plant	3,816	462	(51)		4,329
Production Plant	690	1	641	(51)	(1)
Transmission Plant	7,870	544	26	51	8,439
Distribution Plant	58,223	5,750	537		63,436
General Plant	1,091	78	33	22	1,158
Total Accumulated Depreciation	71,690	6,835	1,186	22	77,361
Accumulated Amortization of Other Utility Plant	326	58			384
Total Accumulated Depreciation & Amortization	72,016	6,893	1,186	22	77,7[illegible]
Steam Utility Plant					
Accumulated Depreciation	1,019	33	1		1,051
Accumulated Amortization	1				1
Total Accumulated Depreciation & Amortization	1,020	33	1		1,052

SCHEDULE VI

SAN DIEGO GAS & ELECTRIC COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION

DECEMBER 31, 1978

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Transfers Debit or (Credit)	Balance at Close of Period
Common Utility Plant Accumulated Depreciation	7,415	642	485	(86)	7,486
Nuclear Fuel Accumulated Amortization	6,049	1,471		(391)	7,129
Total Accumulated Depreciation & Amortization	315,625	37,627	7,910	(397)	344,945

SCHEDULE VI

SAN DIEGO GAS & ELECTRIC COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION

DECEMBER 31,1979

(Thousands of Dollars)

COLUMN A Classification	COLUMN B Balance at Beginning of Period	COLUMN C Additions at Cost	COLUMN D Retirements at Cost	COLUMN E Transfers Debit or (Credit)	COLUMN F Balance at Close of Period
Electric Utility Plant					
Production Plant	114,711	12,074	1,447		125,338
Transmission Plant	26,767	3,787	392		30,162
Distribution Plant	102,510	15,431	2,228		115,713
General Plant	4,905	264	155		5,014
Plant Held for Future Use	331	120	13		438
Total Accumulated Depreciation	249,224	31,676	4,235		276,665
Electric Plant Acquisition Adjustment	490	81			571
Other Utility Plant	1,819	306	66		2,059
Total Accumulated Amortization	2,309	387	66		2,630
Total Accumulated Depreciation & Amortization	251,533	32,063	4,301		279,295

SCHEDULE VI

SAN DIEGO GAS & ELECTRIC COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION

DECEMBER 31,1979

(Thousands of Dollars)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements at Cost	Transfers Debit or (Credit)	Balance at Close of Period
Gas Utility Plant					
Storage Plant	4,329	465	63		4,731
Production Plant	(1)				(1)
Transmission Plant	8,439	554	2		8,991
Distribution Plant	63,436	6,231	513		69,154
General Plant	1,158	66	54		1,170
Total Accumulated Depreciation	77,361	7,316	632		84,045
Accumulated Amortization of Other Utility Plant	384	60	8		436
Total Accumulated Depreciation & Amortization	77,745	7,376	640		84,481
Steam Utility Plant					
Accumulated Depreciation	1,051	33			1,084
Accumulated Amortization	1				1
Total Accumulated Depreciation & Amortization	1,052	33			1,085

SAN DIEGO GAS & ELECTRIC COMPANY

ACCUMULATED DEPRECIATION AND AMORTIZATION

DECEMBER 31,1979

(Thousands of Dollars)

COLUMN A Classification	COLUMN B Balance at Beginning of Period	COLUMN C Additions at Cost	COLUMN D Retirements at Cost	COLUMN E Transfers Debit or (Credit)	COLUMN F Balance a Close of Period
Common Utility Plant Accumulated Depreciation	7,486	683	324		7,845
Nuclear Fuel Accumulated Amortization	7,129	1,602			8,731
Total Accumulated Depreciation & Amortization	344,945	41,757	5,265		381,437

Deloitte
Haskins+Sells

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1010 Second Avenue
San Diego, California 92101
(714) 232-6501
TWX 910-335-1573

OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

San Diego Gas & Electric Company:

We have examined the financial statements, supplementary notes to financial statements and supplementary financial schedules of San Diego Gas & Electric Company listed in the accompanying table of contents, which you are filing as part of your Annual Report (Form 10-K) to the Securities and Exchange Commission for the year ended December 31, 1979. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the financial position of the Company at December 31, 1979 and 1978, and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis. Also, in our opinion, the supplementary notes to financial statements and supplementary financial schedules, when considered in relation to the basic financial statements, present fairly in all material respects the information shown therein.

DELOITTE HASKINS & SELLS

San Diego, California
February 8, 1980

PART II

Items 13 through 15

The Company has filed definitive copies of its Proxy Statement with the Commission, pursuant to Regulation 14-A. Therefore, Items 13 to 15, inclusive, have been omitted.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SAN DIEGO GAS & ELECTRIC COMPANY
(Registrant)

Date MAR 27 1980 By /s/ R. E. Parsley
(Signature)

R. E. Parsley
Controller

Deloitte
Haskins Sells

Suite 1100
1010 Second Avenue
San Diego, California 92101
(714) 232-6501
TWX 910-335-1573

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

San Diego Gas & Electric Company:

We hereby consent to the incorporation by reference in Registration Statement No. 2-66733 on Form S-16 of our opinion dated February 8, 1980 appearing in the Annual Report on Form 10-K of San Diego Gas & Electric Company for the year ended December 31, 1979.

DELOITTE HASKINS & SELLS

San Diego, California
March 24, 1980

5.a.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended..September 30, 1980.....Commission file number...1-3779...

SAN DIEGO GAS & ELECTRIC COMPANY
(Exact name of registrant as specified in its charter)

CALIFORNIA	95-1184800
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

101 Ash Street, San Diego, California	92101
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code....(714) 232-4252........

No Change
Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes...X... No.......

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report.

Common Stock outstanding September 30, 1980: 36,248,897

FINANCIAL STATEMENTS
SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENTS OF INCOME

(Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30, 1980	1979
	(Thousands of Dollars)	
OPERATING REVENUES		
Electric	$ 217 461	$ 162 183
Gas	37 132	31 215
Steam	254	182
Total Operating Revenues	254 847	193 580
OPERATING EXPENSES		
Electric Fuel & Purchased Energy	142 132	89 523
Gas Fuel	22 359	16 039
Other Operating	33 393	27 369
Maintenance	9 050	7 170
Depreciation	13 437	12 602
Taxes:		
Property	3 438	3 562
Income	2 609	5 413
Other	812	618
Total Operating Expenses	227 230	162 296
OPERATING INCOME	27 617	31 284
OTHER INCOME CREDITS AND (DEBITS)		
Allowance for Other Funds Used During Construction	6 400	5 219
Provision for Exchange Loss	(26 000)	-
Income and Other Taxes	8 873	2 496
Other--Net	2 730	822
Total Other Income Credits (Debits)	(7 997)	8 537
INCOME BEFORE INTEREST CHARGES	19 620	39 821
INTEREST CHARGES		
Long-Term Debt	16 593	14 245
Short-Term Debt and Other	6 395	1 741
Allowance for Borrowed Funds Used During Construction	(3 211)	(2 083)
Net Interest Charges	19 777	13 903
NET INCOME (before preferred dividend requirements)	(157)	25 918
Preferred Dividend Requirements	4 411	4 411
EARNINGS APPLICABLE TO COMMON SHARES	(4 568)	21 507
Common Stock Dividends Declared	14 500	11 785
Earnings Reinvested	$ (19 068)	$ 9 722
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	34 632	30 249
EARNINGS PER COMMON SHARE	$ (0.13)	$ 0.71
DIVIDENDS DECLARED PER COMMON SHARE	$ 0.40	$ 0.38

Certain 1979 amounts have been reclassified for comparability.

FINANCIAL STATEMENTS

SAN DIEGO GAS & ELECTRIC COMPANY

STATEMENTS OF INCOME

(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30, 1980	1979
	(Thousands of Dollars)	
OPERATING REVENUES		
Electric	$ 554 062	$ 424 114
Gas	136 867	107 778
Steam	639	755
Total Operating Revenues	691 568	532 647
OPERATING EXPENSES		
Electric Fuel & Purchased Energy	342 890	233 470
Gas Fuel	92 397	66 966
Other Operating	95 410	81 039
Maintenance	25 826	23 040
Depreciation	40 311	35 324
Taxes:		
Property	10 217	9 835
Income	8 187	9 216
Other	2 647	2 422
Total Operating Expenses	617 885	461 312
OPERATING INCOME	73 683	71 335
OTHER INCOME CREDITS AND (DEBITS)		
Allowance for Other Funds Used During Construction	18 009	12 358
Provision for Exchange Loss	(26 000)	-
Income and Other Taxes	15 581	5 164
Other--Net	10 725	2 653
Total Other Income Credits (Debits)	18 315	20 175
INCOME BEFORE INTEREST CHARGES	91 998	91 510
INTEREST CHARGES		
Long-Term Debt	46 673	40 275
Short-Term Debt and Other	22 693	5 228
Allowance for Borrowed Funds Used During Construction	(11 087)	(4 938)
Net Interest Charges	58 279	40 565
NET INCOME (before preferred dividend requirements)	33 719	50 945
Preferred Dividend Requirements	13 232	13 232
EARNINGS APPLICABLE TO COMMON SHARES	20 487	37 713
Common Stock Dividends Declared	39 368	31 792
Earnings Reinvested	$ (18 881)	$ 5 921
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	33 371	28 589
EARNINGS PER COMMON SHARE	$ 0.61	$ 1.32
DIVIDENDS DECLARED PER COMMON SHARE	$ 1.16	$ 1.10

Certain 1979 amounts have been reclassified for comparability.

FINANCIAL STATEMENTS

SAN DIEGO GAS & ELECTRIC COMPANY

BALANCE SHEETS

(Unaudited)

ASSETS

	SEPTEMBER 30, 1980	SEPTEMBER 30, 1979
	(Thousands of Dollars)	
UTILITY PLANT--At Original Cost:		
Property, Plant and Equipment	$1 956 591	$1 740 781
Accumulated Depreciation	(411 384)	(373 180)
Net Utility Plant	1 545 207	1 367 601
NON-UTILITY PLANT--Net	5 187	5 235
INVESTMENTS IN AND ADVANCES TO SUBSIDIARIES	26 340	25 948
CURRENT ASSETS		
Cash and Temporary Investments	1 026	3 151
Receivables--Net	74 201	77 111
Materials and Supplies--At Average Cost	25 632	19 127
Fuel Inventory--At Average Cost	125 093	52 971
Regulatory Balancing Accounts - Undercollected	60 510	41 264
Other	1 752	1 754
Total Current Assets	288 214	195 378
DEFERRED CHARGES AND OTHER ASSETS	58 376	85 029
TOTAL	$1 923 324	$1 679 191

CAPITALIZATION AND LIABILITIES

	1980	1979
CAPITALIZATION		
Common Stock	$ 181 244	$ 155 077
Premiums and Expense	254 510	217 129
Retained Earnings	147 927	163 848
Total Common Equity	583 681	536 054
Preferred Stock:		
Not Subject to Mandatory Redemption	128 500	128 500
Subject to Mandatory Redemption	85 000	85 000
First Mortgage Bonds	615 212	491 095
Sinking Fund Debentures	22 988	23 755
Other Long-Term Debt	94 135	124 768
Total Long-Term Debt (Net of premium, discount, sinking fund requirements and current portion)	732 335	639 618
Total Capitalization	1 529 516	1 389 172
CURRENT LIABILITIES		
Notes Payable to Subsidiaries	14 005	-
Commercial Paper	50 000	27 021
Bankers' Acceptances	100 000	20 000
Accounts Payable	78 412	42 031
Dividends Payable	18 910	16 196
Customer Deposits	6 872	6 125
Taxes Accrued	17 453	19 623
Interest Accrued	14 102	14 321
Regulatory Balancing Accounts - Overcollected	16 233	21 448
Current Portion of Long-Term Debt	2 919	52 991
Other	15 765	11 696
Total Current Liabilities	334 671	231 452
CUSTOMER ADVANCES FOR CONSTRUCTION	26 882	23 905
RESERVES AND DEFERRED CREDITS	32 255	34 662
TOTAL	$1 923 324	$1 679 191

Certain 1979 amounts have been reclassified for comparability.

FINANCIAL STATEMENTS

SAN DIEGO GAS & ELECTRIC COMPANY

STATEMENTS OF CHANGES IN FINANCIAL POSITION

(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30, 1980	1979
	(Thousands of Dollars)	
FUNDS PROVIDED:		
OPERATIONS:		
Net Income	$ 33 719	$ 50 945
Charges (Credits) to Income Not Affecting Funds:		
Provision for Exchange Loss	26 000	-
Depreciation	40 311	35 324
Allowance for Funds Used During Construction	(29 096)	(17 296)
Regulatory Revenue Adjustments	(3 221)	4 857
Other--Net	(2 408)	(142)
Funds Provided from Operations	65 305	73 688
LONG-TERM FINANCING:		
Proceeds from:		
Sale of Common Stock	61 337	49 632
Sale of First Mortgage Bonds	123 717	-
Other Long-Term Debt	1 010	69 081
Retirement of Long-Term Debt	(32 960)	(2 946)
Funds Provided from Long-Term Financing	153 104	115 767
OTHER SOURCES:		
Customer Advances for Construction	2 305	2 614
Decrease in Advances to Subsidiaries	1 804	538
Net Decrease (Increase) in Deferred Charges and Other Assets	1 126	(172)
Other Sources	2 203	2 283
Funds Provided from Other Sources	7 438	5 263
Total	$225 847	$194 718
FUNDS APPLIED:		
Additions to Utility Plant (excluding Allowance for Funds Used During Construction)	$131 654	$144 762
Dividends on Preferred Stock	13 232	13 232
Dividends on Common Stock	39 368	31 792
Increase in Working Capital	41 593	4 932
Total	$225 847	$194 718
WORKING CAPITAL CHANGES (Other Than Current Portion of Long-Term Debt and Regulatory Revenue Adjustments):		
Receivables (Net of Provision for Exchange Loss)	$ 13 850	$ (5 348)
Materials and Supplies	3 410	(3 428)
Fuel Inventory	52 516	8 333
Short-Term Debt	(8 585)	(2 126)
Accounts Payable	(4 595)	13 221
Taxes, Interest Accrued and Other	(15 003)	(5 720)
Increase in Working Capital	$ 41 593	$ 4 932

Certain 1979 amounts have been reclassified for comparability.

SAN DIEGO GAS & ELECTRIC COMPANY
NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. In the opinion of the Company, all adjustments necessary to present a fair statement of the results of operations for the period covered by this report have been made. The adjustments consisted only of normally recurring accruals, except for $4.9 million in one-time write-offs in May 1979 related to the Company's suspended nuclear project ($3.6 million) and the interim rent on Encina Unit 5 ($1.3 million) as required by the Company's June 5, 1979 general rate decision and the establishment in September 1980 of a reserve for loss of $26.0 million related to fuel oil exchange transactions (see Note 4). The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

2. The Company's significant accounting policies are described in Note 1 of Notes to Financial Statements included in its 1979 Annual Report on Form 10-K filed with the Securities and Exchange Commission. For interim reporting purposes, the Company follows these same basic accounting policies. This interim report should be read in conjunction with the Company's most recent annual report and subsequent interim reports.

3. In August 1980, the Company issued $75 million in first mortgage bonds, 13-5/8%, Series "T" due 2010. In September, the Company sold 2,000,000 shares of common stock for $14.00 per share. Net proceeds to the Company, which totaled $74.2 million for the bonds and $26.9 million for the common stock, were used to retire a portion of short-term indebtedness and $30 million of the foreign term loans incurred for the construction program.

4. At September 30, 1980 and 1979, the Company had placed on exchange 1.92 million barrels of fuel oil (cost, $31.2 million) and 3.05 million barrels of fuel oil (cost, $53.2 million), respectively.

   Of the total on exchange at September 30, 1980, 1.89 million barrels (cost, $30.6 million) are due from an independent oil distributor for exchange transactions originally occurring in 1978. The magnitude of the transactions relative to the size of the distributor caused the Company in 1978 to obtain the right to certain assets which partially collateralized its receivable. Repayment of the receivable depended on the ability of the distributor to achieve profitable operations or realization of the assets pledged as collateral. Repayments during 1979 and 1980 totaled $5.1 million and $3.3 million, respectively.

   The distributor has sustained continued losses and, during October of 1980, requested an amendment of the existing agreement to provide for more liberal repayment terms. Also in October of 1980, the Company received a report by independent mining and geological engineers concerning the operation of the coal mine facility, which now is the principal collateral for the receivable. Based on the report and an analysis of the potential cash return from the coal facility, the Company has recorded a reserve for loss of $26.0 million ($0.55 per share based on the average number of shares during the nine months ended September 30, 1980) as of September 30, 1980. Should the coal operation fail to achieve profitable operations or the Company not realize the value of the collateral, it may be necessary to record an additional estimated loss of $4.6 million. In the opinion of management, the reserve for loss as of September 30, 1980, is adequate.

5. The Company filed a notice of intent for a 1982 general rate increase on September 19, 1980. The notice of intent requests $17[illegible] million to cover the increased cost of doing business (excluding fuel costs).

   Hearings have concluded on the Company's $145 million application for a 1981 general rate increase which was filed on July 1, 1980. During the hearings, the amount requested for 1981 was reduced to $111 million principally as a result of certain aspects of the case being transferred to other cases. The increased rates are expected to be effective in January 1981.

6. On June 30, 1980, Japatul Corporation, a wholly-owned subsidiary of the Company, sold a portion of its land holdings for $14 million subject to repurchase for one year of any or all of the land if the Buyer is unable to obtain certain necessary approvals.

   The transaction will not be recognized until, in the opinion of management, the repurchase option will not be invoked by the Buyer. The sales proceeds were loaned to the Company and the loan is assigned to a bank as collateral for a letter of credit given the Buyer supporting the repurchase agreement. A gain of approximately $7 million will be recognized when the transaction is finalized.

SAN DIEGO GAS & ELECTRIC COMPANY

MANAGEMENT'S ANALYSIS OF QUARTERLY STATEMENTS OF INCOME

OPERATING REVENUES

The following table sets forth the amounts of changes in the Company's electric and gas revenues, together with the approximate amounts of increases and decreases attributable to certain factors.

	Millions of Dollars		
	Quarter Ending		Year-to-Date
	September 30, 1980 vs. September 30, 1979	September 30, 1980 vs. June 30, 1980	September 30, 1980 vs. September 30, 1979
Electric Revenues:			
Rate Increases	$86.8	$53.3	$146.1
Sales Volume Change	1.8	14.5	3.9
Net Revenue Deferred	(32.4)	(18.3)	(18.4)
Miscellaneous Revenue	(0.9)	0.1	(1.7)
Net Increase	$55.3	$49.6	$129.9
Gas Revenues:			
Rate Increases	$ 4.8	$ 3.3	$ 25.3
Revenue Applicable to Interdepartmental Sales	(4.7)	0.3	(5.2)
Sales Volume Change	(1.2)	(12.4)	(13.8)
Net Revenue Deferred	7.0	2.0	22.6
Miscellaneous Revenue	-	-	0.2
Net Increase (Decrease)	$ 5.9	$(6.8)	$ 29.1

COST OF ELECTRIC FUEL AND PURCHASED ENERGY

Increases in the cost of fuel have occurred primarily because of increasing prices of fuel oil, natural gas and purchased power. The Company expects these costs to continue to rise, although such cost increases are expected to be offset by increased revenue collected under the Energy Cost Adjustment Clause (ECAC).

COST OF GAS FUEL

The cost of gas purchased for resale increased in this quarter and year-to-date in comparison with the same periods of 1979 primarily due to rising prices from the Company's supplier. The cost of gas decreased during the current quarter when compared to the second quarter of 1980 due to a seasonal decrease in demand. The Company expects the cost of gas purchased for resale to continue to rise, although such increases are expected to be offset by increased revenue through the Company's Purchased Gas Adjustment Clause (PGA).

OTHER OPERATING EXPENSES

Other operating expenses have increased in each period as a result of generally rising costs and an increased number of customers.

DEPRECIATION

Depreciation expense increased in the current quarter and year-to-date in comparison with the same periods last year due to the amortization of certain non-site costs related to the suspended Sundesert nuclear project as well as additional plant in service.

INCOME TAXES

Income tax expense increased in the current quarter when compared to the previous quarter. Income tax expense decreased in the current quarter and year-to-date when compared to the same periods of 1979. These increases and decreases reflect changes in taxable operating income (also see Other Income Credits) and a higher statutory state franchise tax rate for 1980. Due to timing differences, investment tax credits and a net operating loss carry-forward, the income tax expense is less than the amount computed by applying the federal and state statutory rates to income before income taxes.

OTHER INCOME CREDITS

The Allowance for Funds Used During Construction (AFUDC), which is not an item of current cash income, increased in total for the current quarter and year-to-date when compared to the same periods of 1979. These increases in AFUDC (other funds component included in Other Income Credits and borrowed funds component included in Interest Charges) are the result of the use of a higher rate and a larger balance of construction not included in rate base, primarily related to San Onofre Units 2 and 3. The increase for year-to-date 1980 compared to 1979 also reflects the elimination of the effect of the one-time charge in May 1979 of $3.1 million for AFUDC related to the suspended Sundesert nuclear project. AFUDC for the current quarter has decreased when compared to the second quarter of 1980. This decrease is the result of the use of a lower rate for AFUDC for the third quarter based upon the application of the Federal Energy Regulatory Commission's formula for the computation of AFUDC.

The Provision for Exchange Loss was established in September 1... to provide for a probable loss on fuel oil exchange transactions with United Petroleum Distributors, Inc. See Note 4 of Notes to Financial Statements for further discussion of this item.

Income and Other Taxes increased in each period. These increases reflect the tax effect of the provision for loss on the fuel oil exchange transactions (see Note 4) as well as more interest expense allocated to property not included in rate base. Both increased the related income tax credit. This income tax credit offsets income taxes recorded as an operating expense and discussed above.

Other-Net income increased for the current quarter and year-to-date when compared to the same periods last year. Contributing to the increases are increased interest income on the undercollected balances for ECAC and PGA and increased earnings from the Company's subsidiaries. Other-Net income decreased for the current quarter compared to the second quarter of 1980. This decrease is the result of smaller undercollected balances for ECAC and PGA and a seasonal decrease in earnings from the subsidiaries.

INTEREST CHARGES

Net interest charges increased in each period. These increases are the result of increases in debt issued to finance the Company's construction program and fuel inventory and, for the current quarter and year-to-date 1980 compared to the same periods of 1979, higher average interest rates on the Company's borrowings.

DIVIDENDS

Common stock dividends declared have increased as a result of additional common shares being issued throughout 1979 and 1980 and, for 1980 versus 1979, the increase from $0.36 to $0.38 in quarterly dividends declared per share for the first two quarters of 1980 and the increase in the third quarter dividend from $0.38 to $0.40.

NET INCOME

For the quarter ended September 30, 1980, the Company had a loss of 13 cents per share compared to earnings of 36 cents for the previous quarter and 71 cents for the same quarter last year. Year-to-date earnings per common share for September 30, 1980 were $0.61 compared to $1.32 for year-to-date last year.

The decrease in the current quarter compared to the previous quarter is the result of the effect of the establishment of a $26 million provision for fuel oil exchange loss ($0.52 per share) discussed in Note 4 of Notes to Financial Statements.

The decrease in the current quarter compared to the same quarter last year and year-to-date 1980 compared to 1979 is due to the effect of the provision for exchange loss mentioned above as well as the dilutive effect of additional common shares outstanding.

PART II - OTHER INFORMATION

All items that might have been reported under this part have been previously reported (see Registration No. 2-68740), except as follows:

ITEM 5. - INCREASE IN AMOUNT OUTSTANDING OF SECURITIES OR INDEBTEDNESS

Common Stock, $5 Par Value

	Number of Shares
(a) Common Stock outstanding June 30, 1980	34,069,429
Add:	
(i) Common Stock issued September 1980	2,000,000
(ii) Savings Plan for quarter ended September 30, 1980	89,648
(iii) Dividend Reinvestment Plan for quarter ended September 30, 1980	89,820
Total Common Stock outstanding as of September 30, 1980	36,248,897

(b) On September 11, 1980 the Company issued 2,000,000 shares of Common Stock, $5 Par Value, pursuant to an underwriting agreement dated September 5, 1980 between the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Blyth Eastman Paine Webber Incorporated, as representatives for a group of underwriters. None of the underwriters were affiliates of the Company.

The proceeds received by the Company from the sale of the stock were $27,020,000 (before deducting expenses of the issue estimated at $130,000) and were applied to the retirement of a portion of the Company's outstanding short-term debt incurred for the temporary financing of the Company's construction program.

The stock was registered pursuant to the Securities Act of 1933 under a registration statement on Form S-16 (File No. 2-68740) which became effective September 5, 1980.

The proceeds from the sale of the stock were credited to the appropriate capital share accounts, including $17,020,000 credited to Premiums and Expense (before deducting expenses of the issue).

(c) During the quarter ended September 30, 1980, the Company issued 89,648 shares of Common Stock pursuant to its Savings Plan and 89,820 shares of Common Stock pursuant to its Dividend Reinvestment Plan. The proceeds to the Company from these issues were $1,266,931 and $1,280,139, respectively and were applied to finance additions to the Company's utility properties.

The stock was registered under the Securities Act of 1933 as follows: (i) Savings Plan (File Nos. 2-61166, 2-64000 and 2-67249) and (ii) Dividend Reinvestment Plan (File Nos. 2-61421 and 2-66733).

The proceeds from the sales of the stock were credited to the appropriate capital share accounts, including $1,649,730 credited to Premium and Expense.

Long-Term Debt

(a) Long-Term Debt $691,873,000 outstanding at June 30, 1980; $735,254,000 outstanding at September 30, 1980, of which $2,968,000 and $2,919,000 are recorded as current liabilities as of June 30 and September 30, 1980, respectively.

(b) On August 6, 1980 the Company issued $75,000,000 principal amount of First Mortgage Bonds, 13-5/8%, Series "T" due 2010, (the "Bonds"), pursuant to an underwriting agreement dated July 30, 1980 between the Company and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Blyth Eastman Paine Webber Incorporated, as representatives for a group of underwriters. None of the underwriters were affiliates of the Company.

The proceeds from the sale of the Bonds were $74,343,750 (before deducting expenses of the issue estimated at $175,000) and were applied to the retirement of a portion of the Company's outstanding short-term debt and foreign term loans incurred for the temporary financing of the Company's construction program.

The Bonds were registered pursuant to the Securities Act of 1933 under a registration statement on Form S-16 (File No. 2-68420) which became effective July 30, 1980.

ITEM 6. - DECREASE IN AMOUNT OUTSTANDING OF SECURITIES OR INDEBTEDNESS

Long-Term Debt

(a) Long-Term Debt: $691,873,000 outstanding at June 30, 1980; $735,254,000 outstanding at September 30, 1980, of which $2,968,000 and $2,919,000 are recorded as current liabilities as of June 30 and September 30, 1980, respectively.

(b) In July, August and September 1980, the Company repaid $10,000,000, $9,000,000 and $11,000,000, respectively, of the total $65,000,000 in seven-year intermediate term loans from three foreign banks, which was originally borrowed in April 1979. The loan is shown on the balance sheet under the category of "Other Long-Term Debt."

ITEM 8. - OTHER MATERIALLY IMPORTANT EVENTS

ELECTRIC RATES - ENERGY COST ADJUSTMENT CLAUSE (ECAC)

On September 18, 1980 SDG&E filed with the CPUC an application requesting a $24.8 million electric rate reduction. This reduction is a result of a reduced level of undercollections in the ECAC balancing account and changes in the price of fuel oil and natural gas. The decrease requested would result in decreases of .176¢ per Kwhr for domestic lifeline, .347¢ per Kwhr for domestic non-lifeline and .246¢ per Kwhr for non-domestic sales. Hearings have been set for December 2 - 5 in San Diego.

ITEM 9(b) - EXHIBITS AND REPORTS ON FORM 8-K

There were no reports on Form 8-K filed for the three months ended September 30, 1980.

SIGNATURES

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

SAN DIEGO GAS & ELECTRIC COMPANY
(Registrant)

NOV 13 1980

By /s/ R. E. Parsley
(Signature)
R.E. Parsley, Controller

4) Fuel Adjustment Clauses

Although earnings per share increased substantially in 1979, cash flow was adversely affected during the year by rising energy costs for generation which, at the time, were not fully reflected in the Company's rates through the Energy Cost Adjustment Clause (ECAC). Under the ECAC procedure, energy costs above or below those used in establishing rates are accumulated in a balancing account, and the accumulated amount is reflected in succeeding rate adjustments. In 1979 the CPUC authorized two energy cost adjustment increases totaling approximately $500 million annually. At year-end 1979, accumulated net undercollections and accrued interest in the balancing account amounted to approximately $304 million.
To improve cash flow, Edison petitioned the CPUC on December 21, 1979, to modify an earlier ECAC decision to accelerate the recovery of undercollections already incurred. On January 29, 1980, the CPUC granted the Company's request and authorized an ECAC increase to recover $81 million during the period between February 3 to April 30, 1980, instead of later in the year.
In addition, the CPUC instituted a number of interim changes which are intended to improve the cash recovery aspect of the ECAC procedure. First, the CPUC increased the frequency for filing ECAC adjustments from two to three times per year and adopted the use of more current energy prices and balancing account amounts as well as estimates of energy mix, rather than the historical data previously used, for determining energy cost billing factor adjustments.
Secondly, more flexibility has been provided for determining the period during which undercollected energy costs are to be recovered.
In another decision, the CPUC revised the rate for accruing interest on under or overcollected amounts in the balancing account from a fixed rate of 7% to a floating rate which more nearly matches current short-term borrowing or investment rates. Currently that rate is approximately 13%.

5) Test Year

A fully projected test year is allowed so that a decision may be received prior to or early in the test year period.

Subject: Financial qualifications of Southern California Edison Company et al. to operate the San Onofre Nuclear Generating Station, Unit Nos. 2 and 3.

Responses to NRC request for data as applies to San Diego Gas & Electric Company:

Item 1. a. Will be sent under separate cover.

b. 1980 unit price per Kwh to all classes of on system customers was 8.10¢.

Item 2 & 3 - The estimates of costs of permanently shutting down each unit and of the annual cost to maintain the shutdown facility in a safe condition are made by SCE.

SDG&E anticipates obtaining the required funds through rates from customers taking electric service while the units are in service. Currently the CPUC permits the inclusion of the above estimated costs as negative salvage in the determination of the appropriate depreciation accrual for nuclear units.

Item 4 - Provided by Southern California Edison Company.

Item 5. a. Enclosed are 15 copies of SEC Form S-16 for the registration and sale of 2,000,000 shares of Common Stock in September, 1980.

15 copies of SEC Form 10-Q for third quarter 1980.

15 copies of SEC Form 10-K for the year 1979.

15 copies of the 1980 Annual Report to Shareholders.

5. b. Aspects of regulatory environment:

1) Allowance for Funds Used During Construction (AFUDC)

AFUDC is computed and added to construction work in progress. Construction work in progress is not included in rate base. The amount of AFUDC which has been capitalized is recovered through depreciation once construction work in progress has been completed and has been included in rate base. All calculations for AFUDC are net of tax.

2) Rate Base

Rate base is computed on a depreciated original cost basis.

3) Deferred Income Taxes

The California Public Utility Commission generally supports the flow-through method of accounting for tax adjustments resulting from book to tax timing differences.

Therefore, no provision is made for deferred taxes relating to these timing differences except for deferred energy costs and certain plant sales and abandonments.

4) Investment Tax Credits

Of the 11% investment tax credits available, the 4% investment tax credits are immediately flowed through to the ratepayers under IRC Section 46(f)(3). The 6% investment tax credits are ratably flowed through to the ratepayers over the book lives of the respective properties which generated such investment tax credits, IRC Section 46(f)(2). The remaining 1% investment tax credit, relating to the Company's employee stock ownership plan is not flowed through to the ratepayers, pursuant to IRC Section 46(f)(9).

5) Fuel Adjustment Clauses

SDG&E's tariffs incorporate an Energy Cost Adjustment Clause (ECAC). This clause permits the recovery, on a dollar-for-dollar basis, of generation and purchased power costs. The mechanism includes a balancing account such that any under or over collection due to a difference between current ECAC expenses and ECAC revenues is reflected in future ECAC revenues.

6) Test Year

A fully projected test year is allowed so that a decision may be received prior to or early in the test year period.

5.c. See attached form as well as copies of exhibits:

1982 pending general rate case

1) Cost of Capital and Rate of Return

2) Comparative Financial Data and Summary of Earnings

Staff exhibits, examiner's report and final opinion have not been issued as yet.

1981 general rate case (Decision #92557 dated 12/30/80

1) Cost of Capital and Rate of Return

2) Comparative Financial Data and Summary of Earnings

3) Cost of Capital and Rate of Return - CPUC

4) Electric Results of Operations - CPUC

5) Gas Results of Operations - CPUC

6) Decision #92557 - CPUC

5.d. See attached form

ATTACHMENT FOR ITEM NO. 5.C

RATE DEVELOPMENTS

SOUTHERN CALIFORNIA EDISON

Granted	Electric Base Rates	Electric ECAC	Electric CLMAC
Test Year Utilized	1981	1981	1981
Annual amount of revenue increase requested - test year basis (000's)	$302,200		
Date petition filed	12/26/79		
Annual amount of revenue increase allowed-test year basis (000's)	$294,200*	($193,800)**	($12,000)**
Percent increase in revenues allowed	8.4%		
Date of final order	12/30/80	12/30/80	12/30/80
Effective Date	01/01/81	01/01/81	01/01/81
Rate base finding (000's)	$4,715,713	-	-
Construction work in progress included in Rate Base (000's)			
Rate of return on rate base authorized	11.2	-	-
Rate of return on common equity authorized	14.95	-	-

Revenue Effect (000's)

Amount received in year granted

Amount received in subsequent year

(If not available, annualize amount received in year granted)

Pending Requests	Electric No. Billing Offset	Electric Solar Demo. Offset
Test year utilized	1981	1980
Amount (000's)	6,300**	4,100
Percent increase	0.2	0.1
Date petition filed	02/09/81	10/03/80
Date by which decision must be issued	-	-
Rate of return on rate base requested	N/A	N/A
Rate of return on common equity requested	N/A	N/A
Amount of rate base requested	N/A	N/A
Amount of construction work in progress requested for inclusion in rate base	N/A	N/A

* $91,927 M operational attrition allowed
** Annualized

5.b. Aspects of Regulatory Environment:

1) Allowance for Funds Used During Construction (ADC)

ADC is the generally accepted utility accounting procedure designed to capitalize the cost of both debt and equity funds used to finance plant additions during construction periods and to restore net income to the level which would have been experienced without the construction program through a transfer of such costs from the income statement to the balance sheet as utility plant construction work in progress. Such costs are recovered from customers as a cost of service through provisions for depreciation in future periods. Although ADC increases net income, it does not represent current cash earnings. The effective annual ADC rate was 7.76% for 1979 and 6.96% for 1978, based upon a formula prescribed by the FERC which provides for the separate computation of ADC applicable to debt funds and to equity funds and permits semi-annual compounding.

2) Rate Base

Rate base is computed on a depreciated original cost basis.

3) Deferred Income Taxes and Investment Tax Credits

As required by the CPUC, no provisions are made for income tax reductions (net) which result from reporting certain transactions for income tax purposes in a period different from that in which they are reported in the financial statements, except for certain investment tax credits (ITC) discussed below, the tax effects of the ECAC balancing account provisions and certain resale revenues.
Effective January 1, 1976, pursuant to FERC procedure, the Company began providing deferred income taxes for certain timing differences allocable to resale rates. The revenues related to such deferred income taxes are being collected subject to refund, as discussed in Note 3, pending action by the FERC.
ITC not deferred have been applied as a current reduction of income tax expense. Additional ITC, made available to the Company under the provisions of the Tax Reduction Act of 1975 and the Tax Reform Act of 1976, have been deferred and are being amortized to income tax expense ratably over the service lives of the properties generating such credits.
The Company has reduced its deferred income tax provision and the balance of accumulated deferred income taxes--net, in the amount of $68,128,000, representing ITC in excess of those utilized to date or to be utilized on the 1979 federal income tax return, pending their utilization in future income tax returns. Such ITC were generated in 1979 and, if not utilized, would expire in 1986.

5.C.

Application No. 59351

ITEM 1

Witness ______

Date 4-3-80

SHOWING OF APPLICANT

4-2-80

SCE Ex. No.	PUC Ex. No.	Title of Exhibit
SCE-1	1	Financial Characteristics - Cost of Money and Required Return
SCE-2	2	Results of Operations/1976-1981 Recorded - Adjusted - Estimated
SCE-3	3	Qualifications of Witnesses
SCE-4	4	Prepared Testimony
SCE-5	5	Status on Activities Required for Compliance with Ordering Paragraphs of Decision No. 89711
EAM-1	6	1981 Conservation and Load Management Program
EAM-2	7	Communications Exhibit (Conservation and Non-conservation)
EAM-3	8	Conservation Measurement
EAM-4	9	Conservation and Load Management - 1978 Year End Report/Summary of Results
RD-1	10	Compliance with Voluntary Guidelines Promulgated by the Council on Wage and Price Stability
RD-2	11	Prepared Testimony of Ronald Daniels Regarding Exhibit RD-1
RLL-1	12	Marginal Cost and Marginal Revenue and Rates
RLL-2	13	Prepared Testimony of Rodney L. Larson Regarding Exhibit RLL-1, Section 1-4 and Prepared Testimony of Warren E. Ferguson Regarding Exhibit RLL-1, Section 5
RLL-3	14	CPUC Jurisdictional Results of Operation
RLL-4	15	Prepared Testimony of Rodney L. Larson Regarding Exhibit RLL-3

Showing of Applicant

Application No. 59351
Witness ______
Date ______

SCE Ex. No.	PUC Ex. No.	Title of Exhibit
WEF-1	16	Alternative Rate Designs
WEF-2	17	Prepared Testimony of Warren E. Ferguson Regarding Exhibit WEF-1
FAM-1	18	Research and Development Programs
FAM-2	19	Prepared Testimony of Francis A. McCrackin Regarding Exhibit FAM-1
NONE	20	Summary of Adjustments made by CPUC Staff which are not Contested by Edison
	21	1979 Annual Report
	22	1979 Financial and Statistical Report
	23	October 11, 1979, Prospectus MM Bonds $200,000,000
	24	February 5, 1980, Prospectus Common Stock 7 Million Shares
	25	March 31, 1980, Prospectus NN Bonds $200,000,000
	26	Financial Characteristics Cost of Money and Required Return Update
	27	Letter from Louis Martinez, President - Altran Electronics, Inc. to Leonard M. Grimes, Jr., Commissioner - CPUC
	28	Southern California Edison Company - Summary of Kilowatt Hours, Sales and Customers
	29	Expected Economic Loss Due to Project Cancellation

5.a.

As filed with the Securities and Exchange Commission on September 5, 1980

Registration No. 2-68740

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Amendment No. 1

to

Form S-16

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

San Diego Gas & Electric Company

(Exact name of registrant as specified in charter)

California
(State or other jurisdiction of incorporation or organization)

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

101 Ash Street, San Diego, California 92101
(Address of principal executive offices)

Registrant's telephone number, including area code (714) 232-4252

LESLIE P. JAY
CHICKERING & GREGORY
Three Embarcadero Center
San Francisco, California 94111
(Name and address of agent for service)

Copies to:

ORRICK, HERRINGTON, ROWLEY & SUTCLIFFE
600 Montgomery Street
San Francisco, California 94111

Approximate Date of Commencement of Proposed Sale to the Public:
September 5, 1980

This Registration Statement shall hereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. List of Exhibits.*

3 Opinion and Consent of Counsel.

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*As permitted by Rule 472(d), the revised forms of the underwriting documents are not filed herewith, the only changes being the insertion of information which appears elsewhere in this amendment, the correction of typographical errors and other immaterial changes.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, State of California, on the 4th day of September, 1980.

SAN DIEGO GAS & ELECTRIC COMPANY

By LESLIE P. JAY
(Leslie P. Jay, *Attorney-in-fact*)

Pursuant to the requirements of the Securities Act of 1933, this amendment to the Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
(i) Principal Executive Officer:		
*ROBERT E. MORRIS (Robert E. Morris)	President and Director	September 4, 1980
(ii) Principal Financial Officer:		
*THOMAS A. PAGE (Thomas A. Page)	Executive Vice President and Director	September 4, 1980
(iii) Principal Accounting Officer:		
*ROBERT E. PARSLEY (Robert E. Parsley)	Controller	September 4, 1980
(iv) Directors:		
*BRUCE R. HAZARD (Bruce R. Hazard)	Director	September 4, 1980
*WILLIAM D. McELROY (William D. McElroy)	Director	September 4, 1980
*GORDON PEARCE (Gordon Pearce)	Director	September 4, 1980
*O. MORRIS SIEVERT (O. Morris Sievert)	Director	September 4, 1980
*CATHERINE FITZGERALD WIGGS (Catherine Fitzgerald Wiggs)	Director	September 4, 1980

*By LESLIE P. JAY
(Leslie P. Jay, *Attorney-in-fact*)

CONSENT OF COUNSEL

The consent of Chickering & Gregory, counsel for the Company, is included in their opinion filed as Exhibit 3.

S.C.

Ex 25

PROSPECTUS

$200,000,000

Southern California Edison Company

FIRST AND REFUNDING MORTGAGE BONDS, SERIES NN, 15⅛% DUE 2005

Interest payable April 1 and October 1

The New Bonds will be redeemable at the option of the Company, in whole or in part, at any time on 30 days' notice, at the redemption prices herein, provided that, prior to April 1, 1985, no redemption may be made through refunding at an effective interest cost to the Company of less than 15.36% per annum. See "Description of New Bonds — Redemption" herein.

Application will be made to list the New Bonds on the American Stock Exchange. Listing will be subject to meeting the requirements of the Exchange, including those relating to distribution.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PRICE 99.20% AND ACCRUED INTEREST

	Price to Public(1)	Underwriting Discounts and Commissions(2)	Proceeds to Company(1)(3)
Per Bond	99.200%	.689%	98.511%
Total	$198,400,000	$1,378,000	$197,022,000

(1) Plus accrued interest from April 1, 1980, if any.

(2) The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

(3) Before deduction of expenses payable by the Company estimated at $281,000.

The undersigned and the other several Underwriters named within offered to purchase the New Bonds at public sale under a sealed bid in accordance with the Company's Public Invitation for Bids and have entered into an Agreement with the Company with respect thereto.

The New Bonds are offered, subject to prior sale, when, as and if issued by the Company and accepted by the Underwriters named herein and subject to the approval of certain legal matters by counsel. It is expected that delivery of the New Bonds in fully registered form will be made on or about April 9, 1980 at the office of Morgan Stanley & Co. Incorporated, 55 Water Street, New York, N.Y., against payment therefor in New York funds.

SALOMON BROTHERS

MORGAN STANLEY & CO.
Incorporated

BEAR, STEARNS & CO.

March 31, 1980

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NEW BONDS HEREBY OFFERED OR ANY OTHER BONDS OF THE COMPANY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE AMERICAN STOCK EXCHANGE OR IN THE OVER-THE-COUNTER MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

Southern California Edison Company (the "Company") is subject to the informational requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information on file can be inspected and copied at the offices of the Commission at Room 6101, 1100 L Street, N.W., Washington, D.C.; Room 1228, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois; Room 1100, Federal Building, 26 Federal Plaza, New York, New York; and Suite 1710, Tishman Building, 10960 Wilshire Boulevard, Los Angeles, California. Copies of this material can also be obtained at prescribed rates from the Commission at its principal office at 500 North Capitol Street, N.W., Washington, D.C. 20549. Certain securities of the Company are listed on the New York, American and Pacific Stock Exchanges. Reports, proxy statements and other information concerning the Company can be inspected at the respective offices of these exchanges at Room 401, 20 Broad Street, New York, New York; 86 Trinity Place, New York, New York; and 301 Pine Street, San Francisco, California.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Commission by the Company are incorporated by reference in this Prospectus:

1. Annual Report on Form 10-K for the year ended December 31, 1979.

2. Definitive Proxy Statement dated March 5, 1980 for the Company's Annual Meeeting of Shareholders to be held on April 17, 1980.

All documents filed by the Company pursuant to Sections 13, 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the New Bonds covered by this Prospectus shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing such documents.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered, on the written request of any such person a copy of any or all of the documents referred to above which have been or may be incorporated by reference in this Prospectus other than exhibits to such documents. Written requests for such copies should be directed to: Southern California Edison Company, P. O. Box 800, Rosemead, California 91770, Attention: Treasurer.

SELECTED INFORMATION

The following material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Prospectus, including the documents incorporated by reference in this Prospectus.

THE OFFERING

Securities to be Offered	$200,000,000 principal amount of First and Refunding Mortgage Bonds, Series NN, Due 2005
Bidding Date	Monday, March 31, 1980
Interest Payment Dates	April 1 and October 1
Proposed Listing	American Stock Exchange
Use of Proceeds	To reimburse the Company for a portion of its construction expenditures

THE COMPANY

Customers (December 31, 1979)	3,082,000
Total (Summer Rated) System Operating Capacity (Kw) (December 31, 1979)	14,932,000
Kilowatt-Hour Consumption (1979)	59,517,861,000
Funds Required for Construction Expenditures (1980-84)	$3,610,764,000
Energy Sources (1979)	Oil 44%; Natural Gas 23%; Coal 11%; Hydroelectric 8%; Nuclear 4%; Purchased Power 10%

FINANCIAL INFORMATION

(Dollars in Thousands)

	Year Ended December 31,				
	1975	1976	1977	1978	1979
Income Statement Data:					
Total Operating Revenues	$1,647,134	$1,846,540	$2,064,914	$2,328,798	$2,563,974
Operating Income	266,606	307,140	330,722	324,601	384,996
Total Interest Charges	126,185	144,368	161,078	182,658	205,082
Net Income	176,781	226,798	251,979	251,683	346,219
Ratio of Earnings to Fixed Charges —					
Actual	2.63	2.83	2.79	2.54	2.90*
Pro Forma					2.16*

	Outstanding December 31, 1979	As Adjusted** Amount	As Adjusted** Percent
Capitalization:			
Long-Term Debt	$2,830,751	$3,030,751	48.6%
Preferred and Preference Stock	814,322	814,322	13.0
Common Equity	2,233,133	2,395,008	38.4
Total Capitalization	$5,878,206	$6,240,081	100.0%

* For information concerning supplemental ratios of earnings to fixed charges see page 5.

** Gives effect to the proposed sale of the New Bonds and the sale of 7,000,000 shares of Common Stock in February 1980.

THE COMPANY

The Company, incorporated in 1909 under California law, is a public utility primarily engaged in the business of supplying electric energy in portions of central and southern California, excluding the City of Los Angeles and certain other cities. The mailing address and telephone number of the Company are, respectively, P.O. Box 800, Rosemead, California 91770 and (213) 572-1212.

USE OF PROCEEDS AND CONSTRUCTION PROGRAM

The net proceeds from the sale of $200,000,000 principal amount of First and Refunding Mortgage Bonds, Series NN (the "New Bonds") will be used to reimburse the Company for a portion of its construction expenditures. The amounts so reimbursed will become a part of the general treasury funds of the Company. The Company proposes to use such reimbursed treasury funds to repay a portion of its outstanding short-term debt expected to aggregate approximately $400,000,000 at the time of the receipt of the proceeds from the sale of the New Bonds. For information concerning an option of the Company to sell less than all of the New Bonds, see "Underwriters."

Funds used by the Company for construction expenditures totaled $500,269,000 in 1977, $567,831,000 in 1978 and $674,147,000 in 1979. As of February 22, 1980, construction expenditures for the 1980-1984 period were estimated as follows:

	(Thousands of dollars)				
	1980	1981	1982	1983	1984
Electric generating plants	$621,052	$ 730,568	$544,027	$384,046	$519,042
Electric transmission lines and substations	67,115	95,502	56,205	110,761	156,437
Electric distribution lines and substations	179,631	168,850	178,580	187,605	187,182
Other expenditures	27,033	14,888	9,852	12,276	20,112
Total construction additions	894,831	1,009,808	788,664	694,688	882,773
Less allowance for funds used during construction	167,000	212,000	148,000	73,000	60,000
Funds required for construction expenditures	$727,831	$ 797,808	$640,664	$621,688	$822,773

Approximately 50% of the total electric generating plant expenditures for the years 1980 through 1984 are related to the construction of new nuclear units at San Onofre and Palo Verde. The Company's share of the total cost of construction for these units is estimated to be $2.6 billion and $900,000,000, respectively, of which $1.54 billion and $236,000,000, respectively, had been expended through December 31, 1979.

The Company's construction program and related expenditures are subject to continuous review and periodic revisions because of changes in estimated system load growth, rates of inflation, receipt of adequate and timely rate relief, the availability and timing of environmental, siting and other regulatory approvals, the scope of modifications required by regulatory agencies, the availability and costs of external sources of capital and other factors beyond the Company's control.

FINANCING PROGRAM

To finance its construction program as shown in the above table for the five years through 1984, and to meet long-term debt maturities and preferred stock sinking fund requirements aggregating $507,017,000 during such years, the Company estimates that approximately $2.5 billion will be required from external sources. The balance of funds required for those purposes is expected to be obtained from internal sources. The Company's ability to finance a portion of its continuing construction program from internal sources is largely dependent upon the timely recovery of increased energy costs through operation of its Energy Cost Adjustment Clause.

FINANCIAL INFORMATION

Net income for 1979 was $346,219,000, as compared with $251,683,000 for 1978. Approximately 57% of such increase was attributable to a general rate increase, a substantial portion of which became effective in July 1978 and the balance of which became effective on January 1, 1979, and 22% was attributable to a 4.4% increase in kilowatt-hour consumption due largely to a substantial number of new customers. The remainder of the increase reflects a higher noncash allowance for debt and equity funds used during construction ("ADC"), primarily related to construction of San Onofre Nuclear Generating Station Units 2 and 3, and an increase in the ADC rate from 6.96% to 7.76%, effective January 1, 1979.

Net income for the fourth quarter of 1979 was $92,538,000 as compared with $85,455,000 for the fourth quarter of 1978. Results for the fourth quarter of 1979 were affected by a 31% increase in operating and maintenance costs and a 22% increase in interest expense. Because such increased costs are expected to continue to affect the Company's net income, the Company, on December 26, 1979, filed an application for a general rate increase designed to increase annual revenues by approximately $340,000,000 based on a 1981 test year.

In addition to the ratios of earnings to fixed charges under "Selected Information — Financial Information," supplemental ratios of earnings to fixed charges have been calculated pursuant to Accounting Series Release No. 122 of the Securities and Exchange Commission. Such ratios, which reflect interest amounts related to a nuclear fuel lease and debt obligations of a partnership engaged in uranium mining and milling activities in which a wholly-owned subsidiary of the Company is a partner, were 2.79 on an actual basis and 2.09 on a pro forma basis for 1979.

DESCRIPTION OF THE NEW BONDS

The New Bonds will be of an additional series created by resolution of the Company's Board of Directors (the "Resolution") and will be issued under a Trust Indenture dated as of October 1, 1923 between the Company and Harris Trust and Savings Bank and Wells Fargo Bank, National Association, as Trustees (the "Trustees"), as amended and supplemented by supplemental indentures, including a Forty-Fifth Supplemental Indenture dated as of April 1, 1980 (collectively, the "Mortgage").

The New Bonds will be due April 1, 2005 and will bear interest at the rate specified on the cover of the Prospectus, payable semiannually by check from Harris Trust and Savings Bank, on April 1 and October 1 to the holders of record on March 15 and September 15, respectively. Principal and interest will initially be payable at Harris Trust and Savings Bank, Chicago, Illinois, at Wells Fargo Bank, National Association, Los Angeles, California or at Bankers Trust Company, New York, New York.

The New Bonds will be issued only as fully registered bonds.

The statements below are brief summaries of certain provisions relating to the New Bonds, the Resolution and the Mortgage, and an indenture ("Calectric Indenture"), under which the First Mortgage Bonds of California Electric Power Company ("Calectric"), merged into the Company in 1963, were issued, all of which instruments are referred to below. The statements below make use of defined terms, do not purport to be complete and are qualified in their entirety by the parenthetical references to the Resolution, Mortgage and Calectric Indenture, which are exhibits to the Registration Statement of which this Prospectus is a part.

Redemption

The New Bonds will be redeemable by the Company, in whole or in part, at any time upon 30 days' notice, at the prices referred to under "Redemption Prices of the New Bonds." However, no New Bonds may be redeemed prior to April 1, 1985 (through operation of the

Special Trust Fund or otherwise) for the purpose or in anticipation of refunding through funds borrowed by the Company at an effective interest cost of less than the effective interest cost of the New Bonds. *(Resolution)*

Security

In the opinion of counsel for the Company, the New Bonds, when issued, will, as to the security afforded by the Mortgage, be secured equally and ratably with all other bonds issued and to be issued under the Mortgage (the "Bonds") by a legally valid first lien or charge on substantially all of the property and franchises now owned by the Company (with exceptions and exclusions hereinafter noted). Such lien and the Company's title to its properties are subject to the terms of franchises, licenses, easements, leases, permits, contracts and other instruments under which properties are held or operated, certain statutes and governmental regulations, liens for taxes and assessments, liens of the Trustees, and the lien of the Calectric Indenture to the extent referred to below and of the trustees thereunder. In addition, such liens and the Company's title to its properties are subject to certain other liens, prior rights and other encumbrances none of which, with minor or insubstantial exceptions, in the opinion of counsel for the Company, affects from a legal standpoint the security for the New Bonds or the Company's right to use such properties in its business, unless the matters with respect to the Company's interest in the Four Corners Project and the related easement and lease referred to in the following paragraph may be so considered.

The Company's rights and the rights of the Trustees in the Four Corners Project in northern New Mexico located on land of The Navajo Tribe of Indians under an easement from the United States and a lease from the Tribe may, in the opinion of counsel for the Company, be subject to possible defects, including possible conflicting grants or encumbrances not ascertainable because of the absence of or inadequacies in the applicable recording law and the record systems of the Bureau of Indian Affairs and the Tribe, the possible inability of the Company to resort to legal process to enforce its rights against the Tribe without Congressional consent and, in the case of the lease, possible impairment or termination under certain circumstances by Congress or the Secretary of the Interior. The Company cannot predict what effect, if any, such possible defects may have on its interest in the Four Corners Project.

The Mortgage provides that property hereafter acquired (other than excepted kinds noted below) is to become subject to the lien of the Mortgage. *(Mortgage — "Granting" clauses)* Such property may be subject to prior liens and other encumbrances.

Properties excepted from the lien of the Mortgage include cash, accounts receivable, deposits, bills and notes, contracts, leases under which the Company is lessor, securities not specifically required to be pledged, office equipment, vehicles, and all materials, supplies, and electric energy acquired or produced for sale, consumption or use in the ordinary conduct of business. *(Mortgage — "Excepting" clauses, as supp'd by Sixth Supplemental Indenture)* The Company has pledged its customer accounts receivable as security for certain promissory notes, of which $14,217,000 aggregate principal amount was outstanding at December 31, 1979.

The lien of the Calectric Indenture extends, as a lien prior to that of the Mortgage, to most of the properties acquired in the Calectric merger and to all subsequent substitutions, replacements, additions, alterations, improvements, and enlargements, heretofore or hereafter made, to, of, or upon any properties subject to the lien of the Calectric Indenture; and such lien also extends, as a prior lien (with certain exceptions), to any properties voluntarily subjected to such lien or included in property additions utilized under the Calectric Indenture. *(Calectric Indenture — Article I of Thirteenth Supplement)* These outstanding Calectric First Mortgage Bonds have been established as underlying bonds under the Mortgage, and additional bonds may not be issued under the Calectric Indenture unless pledged or otherwise subjected to the lien of the Mortgage. *(Mortgage — Sec. 5, Art. Three)*

Special Trust Fund

The Company is required to deposit in a Special Trust Fund with Harris Trust and Savings Bank, on each May 1 and November 1, cash equal to 1½% (subject to redetermination by agreement between the Company and Harris Trust and Savings Bank) of the aggregate principal amount of the Bonds and underlying bonds then outstanding (excluding certain Bonds and underlying bonds, such as Bonds called for redemption), less certain amounts paid or credited in respect of underlying bonds. *(Mortgage — Secs. 1 and 3, Art. Four, as supp'd by Third Supplemental Indenture)* Amounts in the Special Trust Fund may, in general, be paid out for payment, redemption (at the redemption prices set forth in the Bonds and subject to the limitation on refunding applicable to various series) or purchase of Bonds or underlying bonds, or to reimburse the Company for the acquisition of certain additional properties. *(Mortgage — Sec. 2, Art. Four)* The foregoing deposit requirement has not affected the cash flow of the Company since the cash deposited has been simultaneously offset by its payment to the Company to reimburse it for the acquisition of additional property.

Issue of Additional Bonds

In general, additional Bonds, ranking equally and ratably with the New Bonds, may be issued in principal amount equal to:

(a) Certain Bonds and underlying bonds acquired, redeemed or otherwise retired. *(Mortgage — Secs. 3 and 12, Art. Two, as supp'd by Art. Three, Fourth Supplemental Indenture)*

(b) Cash deposited to pay or redeem Bonds or underlying bonds. *(Mortgage — Secs. 4 and 13, Art. Two)*

(c) 66⅔% of the net amount of additional property constructed or acquired by the Company or its subsidiaries and not theretofore used for other purposes under the Mortgage, subject to certain restrictions. *(Mortgage — Secs. 6, 7, 9 and 10, Art. Two, as supp'd by Secs. 1, 2, 3 and 10, Art. Three, Fourth Supplemental Indenture)*

(d) Cash deposited in an advance construction account with Harris Trust and Savings Bank (in certain events with such Trustee's consent), to be withdrawn to reimburse the Company for 66⅔% of unbonded additional property. *(Mortgage — Sec. 11, Art. Two, as supp'd by Sec. 4, Art. Three, Fourth Supplemental Indenture)*

Additional Bonds may not be issued unless net earnings (as defined) for twelve months shall have been at least two and one-half times the total annual bond interest charges of the Company. *(Mortgage — Sec. 5, Art. Two, as supp'd by Sec. 6, Art. Three, Fourth Supplemental Indenture)* For the year ended December 31, 1979, and after giving effect to the issuance of the New Bonds at 15⅛%, such net earnings were 3.18 times such annual bond interest charges. Notwithstanding such restriction, additional Bonds may be issued under the provisions referred to in (a) and (b) above under certain circumstances involving, among other things, issuance of Bonds not bearing a higher interest rate than the Bonds to be retired, issuance of Bonds to pay or redeem Bonds maturing within two years and issuance of Bonds on the basis of acquisition, redemption or other retirement of underlying bonds. *(Mortgage — Secs. 3, 5, 12 and 13, Art. Two, as supp'd by Secs. 5, 6, 7 and 8, Art. Three, Fourth Supplemental Indenture)* Additional Bonds may not be issued under the provisions referred to in (c) and (d) above during any period when indebtedness secured by a prior lien on acquired utility property has not been established as underlying bonds. *(Mortgage — Sec. 8, Art. Two, as supp'd by Sec. 2, Art. Three, Fourth Supplemental Indenture)*

The New Bonds will be issued under the provisions referred to in (c) above.

As of December 31, 1979, the net amount of additional property against which Bonds might be issued pursuant to (c) above was approximately $626,000,000, which would, if other conditions are met, permit the Company to issue approximately $417,000,000 of additional Bonds, including the New Bonds.

Defaults and Other Provisions

The Mortgage provides that the following are defaults: default in payment of principal; default for 60 days in payment of interest or satisfaction of the Special Trust Fund obligation; default under the covenants and conditions of the Company in the Mortgage or in the Bonds for 60 days after notice by Harris Trust and Savings Bank, Trustee; certain acts of bankruptcy and certain events in bankruptcy, insolvency, receivership or reorganization proceedings; and failure to discharge or stay within 60 days judgments against the Company for the payment of money in excess of $100,000. *(Mortgage — Sec. 1, Art. Seven, as supp'd by Part IV. E., Sixth Supplemental Indenture)*

The Mortgage requires the Company to file with a Trustee documents and reports with respect to the absence of default and compliance with the terms of the Mortgage in all cases upon the authentication and delivery of additional Bonds, the release of cash or property, the satisfaction and discharge of the Mortgage, or any other action requested to be taken by a Trustee at the request of the Company. *(Mortgage — Art. Two, as supp'd by Art. Three, Fourth Supplemental Indenture; Sec. 14, Art. Three, Sec. 2, Art. Four, and Art. Eight, as supp'd by Part IV. G., Sixth Supplemental Indenture; Art. Ten; and Arts. Nineteen and Twenty, Sixth Supplemental Indenture)*

The holders of a majority in principal amount of outstanding Bonds may require the Trustees to enforce the lien of the Mortgage upon the happening (and continuance for the prescribed grace period, if any) of any of the defaults referred to above, and upon the indemnification of the Trustees to their reasonable satisfaction. *(Mortgage — Sec. 2, Art. Seven, as supp'd by Sixth Supplemental Indenture)*

Concerning the Trustees

Harris Trust and Savings Bank is a trustee of the Company's current pension program and, for that purpose, holds trust assets with an approximate aggregate market value of $17,884,000 as of December 31, 1979. The Company maintains deposits with Harris Trust and Savings Bank and Wells Fargo Bank, National Association, and intends to borrow money from such banks from time to time.

Neither by the Mortgage nor otherwise are the Trustees restricted from dealing in the New Bonds as freely as though they were not Trustees. However, the Mortgage provides that if either Trustee acquires a conflicting interest, as defined, it must eliminate such conflict or resign, and in certain cases it is required to share the benefit of payments received as a creditor after the beginning of the fourth month prior to a default. *(Mortgage — Sec. 1, Art. Eighteen, Sixth Supplemental Indenture)*

Modification of the Mortgage

The holders of 80% in principal amount of all Bonds outstanding may authorize release of trust property, waive defaults and authorize certain modifications of the Mortgage. However the obligation of the Company to pay principal and interest will continue unimpaired; and such modifications may not include, among other things, modifications giving any Bonds preference over other Bonds or authorizing any lien prior to that of the Mortgage. In addition, modifications of rights of any series require the assent of the holders of 80% in principal amount of the Bonds of such series. *(Mortgage — Art. Fourteen, as amended by First Supplemental Indenture)*

REDEMPTION PRICES OF THE NEW BONDS

The redemption prices of the New Bonds are the following percentages of the principal amount thereof during the respective periods indicated:

from date of issue to March 31, 1981	115.13%	April 1, 1993 to March 31, 1994	106.93%
April 1, 1981 to March 31, 1982	114.50%	April 1, 1994 to March 31, 1995	106.30%
April 1, 1982 to March 31, 1983	113.87%	April 1, 1995 to March 31, 1996	105.67%
April 1, 1983 to March 31, 1984	113.24%	April 1, 1996 to March 31, 1997	105.04%
April 1, 1984 to March 31, 1985	112.61%	April 1, 1997 to March 31, 1998	104.41%
April 1, 1985 to March 31, 1986	111.98%	April 1, 1998 to March 31, 1999	103.78%
April 1, 1986 to March 31, 1987	111.35%	April 1, 1999 to March 31, 2000	103.15%
April 1, 1987 to March 31, 1988	110.72%	April 1, 2000 to March 31, 2001	102.52%
April 1, 1988 to March 31, 1989	110.09%	April 1, 2001 to March 31, 2002	101.89%
April 1, 1989 to March 31, 1990	109.46%	April 1, 2002 to March 31, 2003	101.26%
April 1, 1990 to March 31, 1991	108.83%	April 1, 2003 to March 31, 2004	100.63%
April 1, 1991 to March 31, 1992	108.20%	April 1, 2004 to March 31, 2005	100.00%
April 1, 1992 to March 31, 1993	107.57%		

in each case with accrued interest to the redemption date.

EXPERTS

The financial statements and schedules incorporated by reference in this Prospectus for the periods indicated in their reports have been examined by Arthur Andersen & Co., independent public accountants, and are included in this Prospectus in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

LEGAL OPINIONS

The validity of the New Bonds will be passed upon for the Company by O'Melveny & Myers, 611 West Sixth Street, Los Angeles, California 90017, special counsel for the Company, and by John R. Bury, General Counsel, or Charles R. Kocher, Assistant General Counsel of the Company, and for the Underwriters by Sullivan & Cromwell, 125 Broad Street, New York, New York 10004. As to matters governed by Arizona and Nevada law, such counsel will rely upon opinions of Snell & Wilmer, 3100 Valley Center, Phoenix, Arizona 8507[illegible], and Woodburn, Wedge, Blakey and Jeppson, a Nevada professional corporation, First National Bank Building, One East First Street, Reno, Nevada 89505, respectively; and as to matters governed by New Mexico law and (with regard to matters affecting the interest of the Company in the Four Corners Project and the easement and lease therefor) federal and Navajo Tribal law, such counsel will rely upon the opinion of Rodey, Dickason, Sloan, Akin & Robb, P.A., a New Mexico professional corporation, First National Bank Building, Albuquerque, New Mexico 87103. As to the incorporation of the Company and all other matters governed by California law, Sullivan & Cromwell will rely upon the opinions of O'Melveny & Myers and Mr. Bury or Mr. Kocher.

The statements of law and legal conclusions under the following captions have, to the extent indicated below, been prepared or reviewed by the counsel indicated and have been included herein upon the authority of such counsel: under "Description of the New Bonds," except for the second paragraph under "Security," by O'Melveny & Myers and Mr. Bury and Mr. Kocher; and under "Description of the New Bonds" in the second paragraph under "Security," concerning the interest of the Company in the Four Corners Project and the easement and lease therefor, by Rodey, Dickason, Sloan, Akin & Robb, P.A. The statements of law and legal conclusions under the following captions of the Company's Annual Report on Form 10-K for the year ended December 31, 1979 which is incorporated by reference in this Prospectus have, to the extent indicated below, been reviewed by the counsel indicated and have been included in this Prospectus upon the authority of such counsel: under "Regulation" by O'Melveny & Myers, Mr. Bury and Mr. Kocher; and under "Fair employment practices matters" in the third sentence of the third paragraph by Mr. Kocher.

Mr. Bury and Mr. Kocher are employees of the Company and as such are salaried and share in the benefits accruing to such employees. As of December 31, 1979, Mr. Bury and Mr. Kocher had a direct or indirect interest in 2,981 and 141 shares of the Company's Common Stock, respectively. These shares include those credited and conditionally credited to their respective accounts as of December 31, 1979 with the trustees of the Company's Employee Stock Ownership Plan and Employee Stock Purchase Plan and with the agent for the Company's Dividend Reinvestment and Stock Purchase Plan.

UNDERWRITERS

Under the terms and subject to certain conditions contained in the Agreement, the underwriters named below (the "Underwriters") have severally agreed to purchase and the Company has agreed to sell to them, severally, the respective principal amounts of New Bonds set forth below. The Bond Purchase Agreement provides that the Underwriters will be obligated to purchase all of the New Bonds if any are purchased, provided, however, that under certain circumstances involving a default by one or more Underwriters, the Company may elect to terminate the Bond Purchase Agreement, or to sell less than all of the New Bonds to the Underwriters.

Name	Principal Amount
Salomon Brothers	$ 77,500,000
Morgan Stanley & Co. Incorporated	77,500,000
Bear, Stearns & Co.	42,200,000
Basle Securities Corporation	1,000,000
Equitable Securities Corporation	300,000
Hanifen, Imhoff & Samford, Inc.	300,000
Sade & Co.	300,000
Scherck, Stein & Franc, Inc.	300,000
Scott & Stringfellow, Inc.	300,000
Young, Smith & Peacock, Inc.	300,000
Total	$200,000,000

The Underwriters through their representatives, Salomon Brothers; Morgan Stanley & Co. Incorporated and Bear, Stearns & Co., have advised the Company as follows:

> The several Underwriters propose to offer part of the New Bonds directly to the public at the public offering price set forth on the cover page of this Prospectus and part to dealers at a price which represents a concession of .50 of 1% of the principal amount under the public offering price, and any Underwriter may offer New Bonds to certain brokers or dealers who are either a parent or subsidiary of such Underwriter at not less than such price to dealers. The Underwriters may allow and such dealers may reallow a concession, not in excess of .25 of 1% of the principal amount, to certain other dealers.

This Prospectus contains information concerning the Company and its New Bonds, but does not contain all of the information set forth in the Registration Statement and the exhibits relating thereto, which the Company has filed with the Securities and Exchange Commission, Washington, D. C., under the Securities Act of 1933, and to which reference is hereby made.

TABLE OF CONTENTS

No dealer, salesman or other person has been authorized to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Company or the Underwriters. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

Southern California Edison Company

SCE

$200,000,000
First and Refunding Mortgage Bonds
Series NN, Due 2005
$15\frac{1}{8}$%

PROSPECTUS

4-17-80 5.C

Application No. 59351
Exhibit No. (SCE - 26)
Witness: H. F. Christie
Date:

SOUTHERN CALIFORNIA EDISON COMPANY

FINANCIAL CHARACTERISTICS
COST OF MONEY AND REQUIRED RETURN
UPDATE

Before the

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rosemead, California
April 1980

YEAR-END
EARNINGS/PRICE RATIOS

Line No.	Year	So. Calif. Edison	20 Largest Electrics: Ratio		20 Largest Electrics: SCE Cost Difference		Standard & Poor's 400 Industrials	Standard & Poor's 400 Industrials: Cost Difference		
			Aa Only	Total Group	Aa Only	Total Group	Ratio	So. Calif. Edison	Aa Only	Total Group
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	1969	7.80%	7.99%	7.66%	(.19)	.14	6.04%	1.76	1.95	1.62
2.	1970	8.40	7.63	7.36	.77	1.04	5.36	3.04	2.27	2.00
3.	1971	8.34	7.74	7.75	.60	.60	5.30	3.04	2.44	2.45
4.	1972	9.04	8.67	8.36	.37	.68	5.18	3.86	3.49	3.18
5.	1973	14.43	10.99	11.49	3.44	2.94	8.15	6.28	2.84	3.34
6.	1974	16.00	14.03	15.28	1.97	.72	12.67	3.33	1.36	2.61
7.	1975	14 57	11.76	11.82	2.81	2.75	8.48	6.09	3.28	3.34
8.	1976	16.61	10.78	10.77	5.83	5.82	8.94	7.67	1.84	1.83
9.	1977	14.41	11.19	11.61	3.22	2.80	11.05	3.36	.14	.56
10.	1978	13.67	12.20	12.80	1.47	.87	12.28	1.39	(.08)	.52
11.	1979*	18.61	13.16	13.70	5.45	4.91	12.82	5.79	.34	.88
				Averages						
12.	1969-1978	12.33%	10.30%	10.49%	2.03	1.84	8.35%	3.98	1.95	2.15
13.	1969-1973	9.60	8.60	8.52	1.00	1.08	6.01	3.60	2.60	2.52
14.	1974-1978	15.05	11.99	12.46	3.06	2.59	10.68	4.37	1.31	1.77
15.	1970-1979	13.41	10.82	11.09	2.59	2.31	9.02	4.39	1.79	2.07
16.	1970-1974	11.24	9.81	10.04	1.43	1.20	7.33	3.91	2.48	2.72
17.	1975-1979	15.57	11.82	12.14	3.76	3.43	10.71	4.86	1.10	1.43

Sources: Annual Reports and Statistical Supplements
Standard & Poor's Stock Guides
Standard & Poor's Analyst's Handbook
*Standard & Poor's Industrial Ratio estimate for year-end 1979.

YEAR-END PRICE/BOOK COMPARISONS

			20 Largest Electrics				Standard & Poor's 400 Industrials			
			Ratio		Deficit			Deficit		
Line No.	Year (1)	So. Calif. Edison (2)	Aa Only (3)	Total Group (4)	Aa Only (5)	Total Group (6)	Ratio (7)	So. Calif. Edison (8)	Aa Only (9)	Total Group (10)
1.	1969	1.28x	1.76x	1.77x	.48	.49	1.96x	.68	.20	.19
2.	1970	1.30	1.85	1.83	.55	.53	1.92	.62	.07	.09
3.	1971	1.13	1.74	1.66	.61	.53	2.04	.91	.30	.38
4.	1972	1.02	1.57	1.54	.55	.52	2.26	1.24	.69	.72
5.	1973	.65	1.16	1.08	.51	.43	1.74	1.09	.58	.66
6.	1974	.61	.86	.76	.25	.15	1.13	.52	.27	.37
7.	1975	.66	1.06	1.01	.40	.35	1.42	.76	.36	.41
8.	1976	.75	1.18	1.13	.43	.38	1.57	.82	.39	.44
9.	1977	.82	1.09	1.05	.27	.23	1.27	.45	.18	.22
10.	1978	.79	.91	.89	.12	.10	1.19	.47	.28	.30
11.	1979*	.72	.84	.80	.12	.08	N.A.	--	--	--
				Averages						
12.	1969-1978	.90x	1.32x	1.27x	.42	.37	1.65x	.76	.33	.38
13.	1969-1973	1.08	1.62	1.58	.54	.50	1.98	.91	.37	.41
14.	1974-1978	.73	1.02	.97	.29	.24	1.32	.60	.30	.35
15.	1970-1979	.85	1.23	1.18	.38	.33	1.62[a]	.76[a]	.35[a]	.40[a]
16.	1970-1974	.94	1.44	1.37	.49	.43	1.82	.88	.38	.44
17.	1975-1979	.75	1.02	.98	.27	.23	1.36[b]	.61[b]	.30[b]	.34[b]

N.A. : Not Available

[a] 1970-1978

[b] 1975-1978

*Sept. 1979 Book Value, year-end 1979 price.

Sources: Annual Reports and Statistical Supplements
Standard & Poor's Stock Guide
Standard & Poor's Analyst's Guide

Table 21

Table 22

SOUTHERN CALIFORNIA EDISON
PRICE BOOK ADJUSTED
RETURN ON COMMON EQUITY

Line No.	Year (1)	Return on Common Equity[a] (2)	Year-end Price/Book Ratio[a] (3)	Adjusted Return (2÷3) (4)	Moody's Aa Public Utility Bond Yields (5)
1.	1973	9.59%	.65	14.8%	7.72%
2.	1974	9.52	.61	15.6	9.04
3.	1975	9.84	.66	14.9	9.44
4.	1976	12.07	.75	16.1	8.92
5.	1977	12.05	.82	14.7	8.43
6.	1978	10.54	.79	13.3	9.10
7.	1979	13.64	.72	18.9	10.22
	Averages				
8.	1973-1978			14.9%	8.78%
9.	1973-1979			15.5	8.98
10.	1974-1979			15.6	9.19

[a] 1973-1977 Restated

Sources: Annual Reports and Statistical Supplements
Survey of Current Business
Moody's Bond Surveys

Table 23

SOUTHERN CALIFORNIA EDISON
EARNINGS/PRICE COST OF CAPITAL

Line No.	Year (1)	Recorded Per Share Basis[a] Earnings (2)	Average Price (3)	Cost (2÷3) (4)	Expected Per Share Basis[b] Total Earnings (5)	Year-end Price (6)	Cost (5÷6) (7)
1.	1974	$2.80	$18.04	15.5%	$2.75	$17.500	15.7%
2.	1975	2.86	18.83	15.2	3.00	19.625	15.3
3.	1976	3.80	20.71	18.3	3.79	22.875	16.6
4.	1977	3.80	24.73	15.4	4.26	26.375	16.2
5.	1978	3.52	25.55	13.8	4.16	25.750	16.2
6.	1979	4.56	25.85	17.7	4.74	24.500	19.3
	Averages						
7.	1974-1978			15.6%			16.0%
8.	1975-1979			16.1			16.7

[a] Restated Earnings 1974-1977
[b] Exponential Curve Fit, ($y = ae^{bx}$). Restated Earnings 1974-1977.

Source: Annual & Statistical Supplements