SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[..X..] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended...................................... June 30, 1997

Or

[.....] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ________________ to _________________

Commission File Number	Name of Registrant as specified in its charter	State of Incorporation	IRS Employer Identification Number
1-11439	ENOVA CORPORATION	California	33-0643023
1-3779	SAN DIEGO GAS & ELECTRIC COMPANY	California	95-1184800

101 ASH STREET, SAN DIEGO, CALIFORNIA 92101

(Address of principal executive offices) (Zip Code)

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

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 latest practicable date.

Common Stock outstanding June 30, 1997:

Enova Corporation	113,616,714
San Diego Gas & Electric Company	Wholly owned by Enova Corporation

ENOVA CORPORATION

AND

SAN DIEGO GAS & ELECTRIC COMPANY

CONTENTS

STATEMENTS OF INCOME (unaudited)
In thousands except per share amounts

For the three months ended June 30,	Enova Corporation and Subsidiaries 1997	Enova Corporation and Subsidiaries 1996	SDG&E 1997	SDG&E 1996
Operating Revenues				
Electric	$417,040	$376,971	$417,040	$376,971
Gas	74,852	81,250	74,852	81,250
Other	9,589	12,746	--	--
Total operating revenues	501,481	470,967	491,892	458,221
Operating Expenses				
Electric fuel	38,741	25,580	38,741	25,580
Purchased power	89,018	76,525	89,018	76,525
Gas purchased for resale	22,752	33,689	22,752	33,388
Maintenance	21,389	16,839	21,389	16,839
Depreciation and decommissioning	86,174	92,741	80,506	87,990
Property and other taxes	11,046	11,377	11,046	11,377
General and administrative	51,245	52,294	50,181	49,190
Other	53,359	50,423	40,896	38,601
Income taxes	42,517	36,974	59,141	48,889
Total operating expenses	416,241	396,442	413,670	388,379
Operating Income	85,240	74,525	78,222	69,842
Other Income and (Deductions)				
Allowance for equity funds used during construction	1,446	1,467	1,446	1,467
Taxes on nonoperating income	631	1,540	856	740
Other - net	(2,201)	(2,996)	(2,746)	(3,091)
Net other income and (deductions)	(124)	11	(444)	(884)
Income Before Interest Charges	85,116	74,536	77,778	68,958
Interest Charges				
Long-term debt	22,130	21,871	18,008	19,116
Short-term debt and other	5,628	4,897	5,532	4,897
Allowance for borrowed funds used during construction	(665)	(1,227)	(665)	(1,227)
Preferred dividend requirements of SDG&E	1,645	1,645	--	--
Net interest charges	28,738	27,186	22,875	22,786
Net Income	56,378	47,350	54,903	46,172
Preferred Dividend Requirements	--	--	1,645	1,645
Earnings Applicable to Common Shares	$56,378	$47,350	$53,258	$44,527
Average Common Shares Outstanding	113,616	116,565		
Earnings Per Common Share	$0.50	$0.41		
Dividends Declared Per Common Share	$0.39	$0.39		

See notes to financial statements.

STATEMENTS OF INCOME (unaudited)
In thousands except per share amounts

For the six months ended June 30,	Enova Corporation and Subsidiaries 1997	Enova Corporation and Subsidiaries 1996	SDG&E 1997	SDG&E 1996
Operating Revenues				
Electric	$790,710	$744,264	$790,710	$744,264
Gas	195,818	165,899	195,818	165,899
Other	22,883	26,701	--	--
Total operating revenues	1,009,411	936,864	986,528	910,163
Operating Expenses				
Electric fuel	78,422	49,404	78,422	49,404
Purchased power	176,768	148,148	176,679	148,148
Gas purchased for resale	90,633	69,187	90,513	68,886
Maintenance	43,355	31,653	43,355	31,653
Depreciation and decommissioning	171,881	163,929	161,128	154,804
Property and other taxes	22,758	23,211	22,672	23,211
General and administrative	95,846	97,932	89,251	94,360

Other	108,223	103,401	83,461	80,433
Income taxes	66,890	82,482	99,895	105,252
Total operating expenses	854,776	769,347	845,376	756,151
Operating Income	154,635	167,517	141,152	154,012
Other Income and (Deductions)				
Allowance for equity funds used during construction	2,869	2,716	2,869	2,716
Taxes on nonoperating income	5,699	1,085	1,288	285
Other - net	(2,606)	(2,622)	(4,437)	(2,489)
Net other income and (deductions)	5,962	1,179	(280)	512
Income Before Interest Charges	160,597	168,696	140,872	154,524
Interest Charges				
Long-term debt	43,859	44,433	35,933	38,210
Short-term debt and other	9,500	9,364	9,404	9,364
Allowance for borrowed funds used during construction	(1,297)	(1,794)	(1,297)	(1,794)
Preferred dividend requirements of SDG&E	3,291	3,291	--	--
Net interest charges	55,353	55,294	44,040	45,780
Net Income	105,244	113,402	96,832	108,744
Preferred Dividend Requirements	--	--	3,291	3,291
Earnings Applicable to Common Shares	$105,244	$113,402	$93,541	$105,453
Average Common Shares Outstanding	115,026	116,568		
Earnings Per Common Share	$0.91	$0.97		
Dividends Declared Per Common Share	$0.78	$0.78		

See notes to financial statements.

BALANCE SHEETS
In thousands of dollars

	Enova Corporation and Subsidiaries		SDG&E	
Balance at	June 30, 1997 (unaudited)	December 31, 1996	June 30, 1997 (unaudited)	December 31, 1996
ASSETS				
Utility plant - at original cost	$5,770,023	$5,704,464	$5,770,023	$5,704,464
Accumulated depreciation and decommissioning	(2,782,591)	(2,630,093)	(2,782,591)	(2,630,093)
Utility plant-net	2,987,432	3,074,371	2,987,432	3,074,371
Investments and other property	780,016	650,188	366,799	337,520
Current assets				
Cash and temporary investments	112,847	173,079	49,312	81,409
Accounts receivable	227,225	186,529	225,429	187,986
Notes receivable	28,961	33,564	--	--
Inventories	58,670	63,437	57,523	63,078
Other	24,658	47,094	24,451	33,227
Total current assets	452,361	503,703	356,715	365,700
Deferred taxes recoverable in rates	182,009	189,193	182,009	189,193
Deferred charges and other assets	203,165	231,782	191,291	193,732
Total	$4,604,983	$4,649,237	$4,084,246	$4,160,516
CAPITALIZATION AND LIABILITIES				
Capitalization				
Common equity	$1,518,864	$1,569,670	$1,337,887	$1,404,136
Preferred stock of SDG&E				
Not subject to mandatory redemption	78,475	78,475	78,475	78,475
Subject to mandatory redemption	25,000	25,000	25,000	25,000
Long-term debt	1,510,538	1,479,338	1,272,226	1,284,816
Total capitalization	3,132,877	3,152,483	2,713,588	2,792,427
Current liabilities				
Short-term borrowings	1,000	--	1,000	--
Current portion of long-term debt	54,858	69,902	6,722	33,639

Accounts payable	120,183	175,815	119,507	174,884
Due to affiliates	--	--	16,074	7,214
Dividends payable	45,956	47,213	45,956	47,131
Interest and taxes accrued	25,606	21,259	46,338	12,824
Regulatory balancing accounts overcollected-net	68,532	35,338	68,532	35,338
Other	167,669	158,317	111,148	110,743
Total current liabilities	483,804	507,844	415,277	421,773
Customer advances for construction	33,530	34,666	33,530	34,666
Accumulated deferred income taxes-net	503,984	497,400	485,686	487,119
Accumulated deferred investment tax credits	63,143	64,410	63,143	64,410
Deferred credits and other liabilities	387,645	392,434	373,022	360,121
Total	$4,604,983	$4,649,237	$4,084,246	$4,160,516

See notes to financial statements.

STATEMENTS OF CASH FLOWS (unaudited)
In thousands of dollars

	Enova Corporation and Subsidiaries		SDG&E	
For the six months ended June 30,	1997	1996	1997	1996
Cash Flows from Operating Activities				
Net income	$105,244	$113,402	$ 96,832	$108,744
Adjustments to reconcile income from continuing operations to net cash provided by operating activities				
Depreciation and decommissioning	171,881	163,929	161,128	154,804
Amortization of deferred charges and other assets	3,231	2,873	3,231	2,873
Amortization of deferred credits and other liabilities	(19,673)	(17,537)	(2,129)	(585)
Allowance for equity funds used during construction	(2,869)	(2,716)	(2,869)	(2,716)
Deferred income taxes and investment tax credits	2,458	(23,146)	115	(23,573)
Other-net	17,680	20,508	(3,971)	(697)
Changes in working capital components				
Accounts and notes receivable	(36,093)	(3,358)	(37,443)	(2,230)
Inventories	4,767	(2,385)	5,555	(2,077)
Other current assets	13,003	(108)	1,140	23
Accounts payable and other current liabilities	(43,869)	(9,662)	(47,551)	(10,708)
Interest and taxes accrued	37,542	36,783	59,238	51,152
Regulatory balancing accounts	33,194	(8,118)	33,194	(8,118)
Cash used by discontinued operations	--	--	--	(11,544)
Net cash provided by operating activities	286,496	270,465	266,470	255,348
Cash Flows from Financing Activities				
Regular dividends paid	(91,047)	(90,927)	(94,256)	(94,488)
Special dividend paid	--	--	(66,150)	--
Short-term borrowings-net	1,000	--	1,000	--
Issuances of long-term debt	--	2,300	--	--
Repayment of long-term debt	(70,189)	(23,588)	(37,500)	(293)
Repurchase of common stock	(66,314)	(480)	--	--
Redemption of preferred stock	--	(15,155)	--	(15,155)
Net cash used by financing activities	(226,550)	(127,850)	(196,906)	(109,936)
Cash Flows from Investing Activities				
Utility construction expenditures	(84,979)	(85,743)	(84,979)	(85,743)
Contributions to decommissioning funds	(11,016)	(11,016)	(11,016)	(11,016)
Other-net	(24,183)	(10,879)	(5,666)	(10,705)
Net cash used by investing activities	(120,178)	(107,638)	(101,661)	(107,464)
Net increase (decrease)	(60,232)	34,977	(32,097)	37,948
Cash and temporary investments, beginning of period	173,079	96,429	81,409	20,755
Cash and temporary investments, end of period	$112,847	$131,406	$ 49,312	$ 58,703
Supplemental disclosure of Cash Flow Information				
Income tax payments (net of refunds)	$ 15,436	$ 69,386	$ 40,650	$ 80,334
Interest payments, net of amounts capitalized	$ 58,708	$ 51,452	$ 44,614	$ 42,340
Supplemental Schedule of Noncash Activities: Investing and Financing				
Real estate investments	$ 88,632	$ 47,367	--	--
Cash paid	(279)	--	--	--
Liabilities assumed	$ 88,353	$ 47,367	--	--
Net assets of affiliates transferred to parent	--	--	--	$150,069

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

1. GENERAL

This Quarterly Report on Form 10-Q is a combined filing of Enova Corporation and SDG&E. The financial statements presented herein represent the consolidated statements of Enova Corporation and its subsidiaries (including SDG&E), as well as the stand-alone statements of SDG&E. Unless otherwise indicated, the "Notes to financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein pertain both to SDG&E and to Enova Corporation as a consolidated entity.

The Registrants believe all adjustments necessary to present a fair statement of the consolidated financial position and results of operations for the periods covered by this report, consisting of recurring accruals, have been made.

The Registrants' significant accounting policies, as well as those of their subsidiaries, are described in the notes to consolidated financial statements in Enova Corporation's 1996 Annual Report to Shareholders. The same accounting policies are followed for interim reporting purposes.

This quarterly report should be read in conjunction with the Registrants' 1996 Annual Report on Form 10-K which included the financial statements and notes thereto, and its Quarterly Report on Form 10-Q for the three months ended March 31, 1997. The "Management's Discussion & Analysis of Financial Condition and Results of Operations" included in the Registrants' 1996 Annual Report to Shareholders was incorporated by reference into the Registrants' 1996 Annual Report on Form 10-K and filed as an exhibit thereto.

2. BUSINESS COMBINATION

In March 1997 the shareholders of both Enova Corporation and Pacific Enterprises (PE) approved the proposed combination of Enova and PE. Consummation of the combination is conditional upon the approvals of the California Public Utilities Commission and various other regulatory bodies.

In June 1997 the CPUC revised its procedural schedule for the proposed business combination after delaying until July 1997 its final decision on the Performance-Based Ratemaking (PBR) proceeding for Southern California Gas Company (SoCalGas), PE's principal subsidiary. Under the new timeline, a CPUC Administrative Law Judge will issue a proposed decision on the combination in late January 1998, with a CPUC decision scheduled for March 1998.

On July 16, 1997 the CPUC issued its decision on SoCalGas's PBR proceeding. The decision adopts a rate-setting mechanism for SoCalGas that provides incentives for cost control and efficiency improvement, including comparisons of productivity and other factors against benchmarks based on industry performance. SoCalGas had been operating under traditional "cost of service" regulation. The decision provides for, among other things, a net rate reduction of $160 million. Enova is analyzing the decision to determine the effect on Pacific Enterprises and on the new company formed by the proposed business combination.

Enova and PE submitted a joint Proponents' Environmental Assessment to the CPUC, stating that the plan of merger will not result in any activities or operational changes that may cause a significant adverse effect on the environment. In April 1997 the CPUC issued a draft Negative Declaration concluding that the plan of merger will not result in significant adverse effects on the environment and, therefore, no Environmental Impact Report or mitigation is necessary. Under the current schedule, the period during which the public may comment on the draft Negative Declaration ended in May 1997 and the final version of the proposed Negative Declaration is expected to be published in the third quarter of 1997. The Negative Declaration will become final when certified by the Commission.

On June 25, 1997 the Federal Energy Regulatory Commission approved the proposed business combination subject to conditions that the combined company will not unfairly use its market power with the potential control over natural-gas transportation to gas-fired electric-generation plants. In its decision, the FERC acknowledged that this issue is clearly within the jurisdiction of the CPUC and the conditions will be considered during the CPUC review process. Various parties have since filed a joint petition with the FERC asking it for a rehearing.

Effective April 1997 substantially all of the activities and certain assets of Enova subsidiaries, Enova Energy and Enova Technologies, were transferred to Energy Pacific, the joint venture between certain unregulated subsidiaries of Enova and PE to provide integrated energy and energy-related products and services.

3. MATERIAL CONTINGENCIES

INDUSTRY RESTRUCTURING -- CALIFORNIA PUBLIC UTILITIES COMMISSION

In May 1997 the CPUC issued a decision stating that direct access will be available to all electric customers on January 1, 1998 instead of phased in over five years as originally envisioned. The CPUC concluded that there are no technical or operational barriers to justify limited direct access availability once electric restructuring commences. The decision gives power companies permission to begin direct marketing on July 1, 1997 and sets November 1, 1997 as the date customers can begin choosing electricity providers.

As discussed in Note 10 in the notes to consolidated financial statements of the 1996 Annual Report to Shareholders, electric utilities will be allowed a reasonable opportunity to recover their stranded costs through December 31, 2001. SDG&E's competition transition charge (CTC) application filed in October 1996 estimates transition costs totaling $2 billion (net present value in 1998 dollars). These identified transition costs have been audited by independent auditors selected by the CPUC. The auditors found SDG&E's recorded and forecasted cost estimates reasonable and have identified $73 million as requiring further action before being deemed a recoverable CTC. In June 1997 the CPUC issued a decision that provides for the recovery of uneconomic generation-related costs and associated regulatory assets. The decision establishes a CTC rate component that will be determined on a residual basis. The CTC revenues will be first applied to "current costs," which includes, among other things, purchased-power expenses, and will next be applied to the transition assets that are being depreciated and/or amortized over a 48-month period. Should there be any CTC revenues remaining, the revenues may be used to accelerate the recovery of transition assets with a high rate of return. The decision does not include generation plant additions made after December 20, 1995. Instead, each utility must file a separate application seeking a reasonableness review thereof. SDG&E expects to file such an application during the third quarter of 1997 to address 1996 capital additions, and another in early 1998 to address 1997 additions.

In May 1997 SDG&E and the other California investor-owned electric utilities (IOUs) filed applications with the CPUC for authority to issue rate-reduction bonds. California's restructuring law (AB 1890) requires a 10-percent reduction of residential and small commercial customers' rates beginning in January 1998. AB 1890 provides for the issuance of rate-reduction bonds by an agency of the State of California to enable the IOUs to achieve this rate reduction. SDG&E's application requests authority to issue up to $800 million in bonds. SDG&E estimates that it will need $710 million of bond proceeds to enable it to effect a sufficient decrease in rate base to finance the desired rate reduction. These bonds will be repaid over 10 years by SDG&E's residential and small commercial customers via a charge on their electric bills. A final CPUC decision is expected in September 1997. The IOUs are awaiting a ruling from the Internal Revenue Service on the tax consequences of the bond issuance. If an adverse ruling is made by the IRS, the issuance of the rate-reduction bonds could be at risk. SDG&E maintains that it would not be required to provide for the 10-percent rate reduction in the event that the bonds are not issued. The Securities and Exchange Commission has ruled that these bonds should be reflected on the utilities' balance sheets as debt, even though the bonds would not be secured by utility assets, but rather by the revenue streams collected from the charge to residential and small commercial customers.

In addition, the California legislation includes a rate freeze for all customers. Until the earlier of March 31, 2002, or when transition cost recovery is complete, SDG&E's system average rate will be frozen at June 10, 1996 levels (9.64 cents per kwh), except for the impact of fuel cost changes and the 10-percent rate reduction. In any event, rates cannot be increased above 9.985 cents per kwh. The rate cap will be reduced in conjunction with the 10-percent rate reduction for residential and small commercial customers. During the first quarter of 1997, soaring natural-gas prices resulted in electric rate increases that raised SDG&E's system average rate from 9.64 cents per kwh to 9.985 cents per kwh. Natural-gas prices have since decreased, but the mechanism, which is based on a 12-month rolling average, continues to push SDG&E's system average rate against the 9.985 cents-per-kwh rate cap.

SDG&E currently accounts for the economic effects of regulation in accordance with SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation," as described in the notes to consolidated financial statements in the 1996 Annual Report to Shareholders. The SEC has indicated a concern that the California investor-owned utilities may not meet the criteria of SFAS No. 71 with respect to their electric generation net regulatory assets. The Emerging Issues Task Force of the Financial Accounting Standards Board has concluded that the discontinuance of SFAS No. 71 applied to the utilties' generation business would not result in a write-off of their net regulatory assets, since the CPUC has approved the recovery of these assets by the distribution portion of their business.

INDUSTRY RESTRUCTURING -- FEDERAL ENERGY REGULATORY COMMISSION

In March 1997 the utilities jointly filed plans with the FERC, detailing the structure of California's independent system operator (ISO) that will manage the state's transmission grid and outlining the development of a power exchange to act as a spot market for trading electricity. In November 1996 the FERC conditionally approved joint recommendations from the utilities on the creation of an ISO and power exchange, but required further information from the utilities as to how they would be structured and operate.

NUCLEAR INSURANCE

SDG&E and the co-owners of the San Onofre units have purchased primary insurance of $200 million, the maximum amount available, for public liability claims. An additional $8.7 billion of coverage is provided by secondary financial protection required by the Nuclear Regulatory Commission and provides for loss sharing among utilities owning nuclear reactors if a costly accident occurs. SDG&E could be assessed retrospective premium adjustments of up to $32 million in the event of a nuclear incident involving any of the licensed, commercial reactors in the United States, if the amount of the loss exceeds $200 million. In the event the public liability limit stated above is insufficient, the Price-Anderson Act provides for Congress to enact further revenue-raising measures to pay claims, which could include an additional assessment on all licensed reactor operators.

Insurance coverage is provided for up to $2.75 billion of property damage and decontamination liability. Coverage is also provided for the cost of replacement power, which includes indemnity payments for up to three years, after a waiting period of 21 weeks. Coverage is provided through mutual insurance companies owned by utilities with nuclear facilities. If losses at any of the nuclear facilities covered by the risk-sharing arrangements were to exceed the accumulated funds available from these insurance programs, SDG&E could be assessed retrospective premium adjustments of up to $5.1 million.

CANADIAN GAS

SDG&E has long-term pipeline capacity commitments related to its contracts for Canadian natural-gas supplies. These contracts are currently in litigation, as described in "Legal Proceedings" in the 1996 Annual Report on Form 10-K beginning on page 19. If the supply of Canadian natural-gas to SDG&E is not resumed to a level approximating the related committed long-term pipeline capacity, SDG&E intends to continue using the capacity in other ways.

ITEM 2.

ENOVA CORPORATION/SAN DIEGO GAS & ELECTRIC COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the definition of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. When used in "Management's Discussion and Analysis of Financial Condition and Results of Operations," the words "estimates", "expects", "anticipates", "plans" and similar expressions are intended to identify forward-looking statements that involve risks and uncertainties.

Although the Registrants believe that their expectations are based on reasonable assumptions, they can give no assurance that those expectations will be realized. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein include political developments affecting state and federal regulatory agencies, the pace and substance of electric industry deregulation in California and in the United States, the existence of or ability to create a market for rate-reduction bonds, the ability to effect a coordinated and orderly implementation of both state legislation and the CPUC's restructuring regulations, the consummation and timing of the proposed business combination of Enova Corporation and Pacific Enterprises, the level of sales of electricity, international political developments, and the timing and extent of changes in interest rates and prices for natural gas and electricity.

RESULTS OF OPERATIONS:

EARNINGS

Earnings per common share for the quarter ended June 30, 1997 were $0.50 compared to $0.41 for the corresponding period in 1996. Earnings per common share for the six months ended June 30, 1997 were $0.91 compared to $0.97 for 1996. The 1997 changes in earnings for the quarter and the six months are primarily due to previously announced changes related to the elimination of electric balancing accounts. Although no significant effect is expected for any full year, quarterly earnings will fluctuate significantly, depending on monthly or seasonal changes in electric sales and fuel prices. In general, earnings are expected to be higher in high sales-volume months and lower in others.

OPERATING REVENUES

For the quarter ended June 30, 1997 electric revenues increased from the corresponding period in 1996 primarily due to increased sales volume due to weather. Electric revenues increased for the six months ended June 30, 1997 due to the increased sales volume and the accelerated recovery of San Onofre Nuclear Generating Station Units 2 and 3 which commenced in April 1996. Additional information concerning the recovery of SONGS Units 2 and 3 is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 1996 Annual Report to Shareholders on page 27. Gas revenues increased for the six months primarily due to the increases in both natural-gas prices and sales volume in the first quarter of 1997.

OPERATING EXPENSES

For the quarter and the six months ended June 30, 1997 electric fuel expense increased from the corresponding period in 1996 primarily due to increased natural-gas-fired generation and increases in natural-gas prices, offset by a decrease in nuclear generation as a result of SONGS Units 2 and 3 refuelings. This decrease in nuclear generation availability also resulted in an increase in purchased-power expense for both periods. Gas purchased for resale increased for the six months due to the increases in both natural-gas prices and sales volume in the first quarter of 1997.

In addition, for the quarter and the six months ended June 30, 1997 maintenance expense increased due to the additional costs incurred during SONGS Units 2 and 3 refuelings (see additional discussion under "San Onofre Nuclear Generating Station Units 2 & 3," below). Depreciation and decommissioning expense increased for the six months due to the accelerated recovery of SONGS Units 2 and 3. Income-tax expense decreased for the six months due to the decrease in operating income and the increase in income-tax benefits related to Enova Financial's increased investments in affordable-housing projects.

OTHER

Other income increased for the six months ended June 30, 1997 due to the first quarter 1997 tax benefits on nonoperating income relating to the 1995 sale of Wahlco Environmental Systems, Inc. Additional information concerning the sale of Wahlco is provided in Note 3 in the notes to consolidated financial statements of the 1996 Annual Report to Shareholders.

REGULATORY MATTERS:

CALIFORNIA PUBLIC UTILITIES COMMISSION'S INDUSTRY RESTRUCTURING

In December 1995 the CPUC issued its policy decision on the restructuring of California's electric utility industry to stimulate competition and reduce rates. In addition, in September 1996 California Governor Wilson signed into law a bill restructuring the industry. See additional discussion of industry restructuring in Note 3 of the notes to financial statements.

CONSUMER EDUCATION

The CPUC has approved a plan for the Consumer Education Program (CEP) jointly submitted by California's investor-owned utilities (IOUs). The plan establishes a 19-member Electric Restructuring Education Group (EREG) that includes one member from each of the IOUs. The EREG will design and implement the CEP. The CPUC has approved an initial CEP funding of $20 million to be provided by the IOUs in proportion to their 1995 kwh sales. The final number, expected to be decided by the CPUC in August 1997, could be as high as $87 million. These funds will be recoverable through rates. The details of how these costs will be recovered under the rate cap are still being finalized. The CEP's objective will be to provide electric customers information to help them compare and choose among electric products and services when competition begins on January 1, 1998. The CEP's work is anticipated to begin by September 1, 1997 and end by May 31, 1998. In addition, in May 1997 SDG&E filed a request with the CPUC for funding of a $1.4 million SDG&E-specific CEP to be an enhancement to the statewide program. In its request, SDG&E asked that the supplemental program's costs be eligible for recovery.

PUBLIC POLICY PROGRAMS

The CPUC has established a new administrative structure and initial funding levels to manage demand-side management, renewable-energy, low-income assistance, and research and development (R&D) programs beginning in January 1998. The CPUC has formed independent boards to oversee a competitive bidding process to administer demand-side management and low-income assistance programs. Until the transition to a fully competitive energy-services market is complete, customers will be required to provide the funding. SDG&E will be funded $32 million annually for demand-side management programs from January 1998 to December 2001. SDG&E will contribute $12 million in renewables funding. Low-income assistance funding will remain at 1996 authorized levels. The California Energy Commission will be allocated most of the $63 million authorized to administer the R&D programs, of which SDG&E will contribute $4 million. SDG&E's contributions to the renewables and R&D programs will be eligible for rate recovery.

In May 1997 SDG&E filed a application for 1996 shareholder rewards totaling $41 million ($39 million in 1995) for its DSM programs. The rewards will be collected and recorded in earnings over ten years and are subject to CPUC approval. The revenue requirement increase is effective on January 1, 1998, but due to the rate cap, there will be no rate increase. If, during the industry-restructuring transition period, SDG&E is able to recover its transition costs and has revenue available under the rate cap, SDG&E will be able to recover these DSM earnings. A final CPUC decision is expected in the first quarter of 1998. SDG&E cannot predict the impact on future earnings of DSM programs when the transition to a competitive market is complete.

NATURAL-GAS RATES

In late 1996 natural-gas prices significantly increased primarily due to weather-related factors and low storage levels. As the price of natural gas increased beyond what SDG&E was authorized to charge for it, a $26 million shortfall resulted. In July 1997 SDG&E received CPUC approval to raise gas rates by 6 cents per therm for 12 months beginning in August 1997. The decision lifted a two-year cap on natural-gas rates that limited the amount that could be charged to 25 cents per therm.

PERFORMANCE-BASED RATEMAKING

Base-Rates PBR: In May 1997 SDG&E filed an application with the CPUC that reflects a $1.9 million penalty for 1996. While SDG&E obtained the maximum rewards for employee safety and customer satisfaction, it did not meet its performance targets for system reliability and customer rates. Although SDG&E's electric rates declined in 1996, the average national rate declined proportionately more. A final CPUC decision is expected in the third quarter of 1997. The five-year PBR mechanism, which began in 1994, is currently under its mid-course review by the CPUC. A final decision is expected in the fourth quarter of 1997.

SAN ONOFRE NUCLEAR GENERATION STATION UNITS 2 & 3

In May 1997 the SONGS owners agreed to provide 150 acres of wetlands restoration, 150 acres of kelp reef and other mitigation that was ordered by the California Coastal Commission in April 1997. SDG&E's share of the cost is estimated to be $23 million. The SONGS owners have decided to pay for the actual costs of the mitigation work themselves rather than depositing the estimated costs in a trust.

Unit 3 was shut down in April 1997 for its scheduled refueling. While conducting routine inspections, it was noted that, in several areas, the thickness of the heat transfer tubes' structural supports was significantly reduced, apparently due to erosion. In June 1997 the Nuclear Regulatory Commission approved the removing of the affected tubes from service as a corrective action and the unit's return to service. The NRC will make a further review in the next few months to determine the need for a mid-cycle outage, but the SONGS owners plan to schedule one in the second quarter of 1998 even without a NRC mandate. Unit 2, which recently went through inspection of its steam generators, showed no signs of this type of erosion.

The Unit 3 refueling outage was extended by four weeks to repair a control rod that became separated from its extension shaft and a failed charging-system check valve. The unit returned to service on July 21, 1997. When an identical check valve was tested in Unit 2, the same problem was discovered, causing the unit to be shut down on June 29, 1997. The unit was restarted on July 16, 1997.

ELECTRIC AND MAGNETIC FIELDS (EMF)

The National Academy of Sciences (NAS) recently published its evaluation of potential EMF health risks. After examining more than 500 studies spanning 17 years of research, the NAS found that "the current body of evidence does not show that exposure to EMFs presents a human-health hazard." A recently completed study (the nation's largest, most extensive EMF research conducted to date) by the National Cancer Institute concluded that there is no evidence that children who live near high-current power lines have any higher incidence of leukemia than children who do not live near these lines.

LIQUIDITY AND CAPITAL RESOURCES:

Utility operations continue to be a major source of liquidity. In addition, financing needs are met primarily through the issuance of short-term and long-term debt, and common and preferred stock. These capital resources are expected to remain available. SDG&E's cash requirements include plant construction and other capital expenditures. Nonutility cash requirements include capital expenditures associated with subsidiary activities related to the plan to distribute natural gas in Mexico; new products; affordable-housing, leasing and other investments; and repayments and retirements of long-term debt. In addition to changes described elsewhere, major changes in cash flows are described below.

OPERATING ACTIVITIES

Besides the effects of other items discussed in this report, there were other significant changes in cash flows from operations for the six months ended June 30, 1997 compared to the corresponding 1996 period. Cash flows from accounts and notes receivable decreased due to an increase in accounts receivable at June 30, 1997 resulting from an increase in SDG&E's sales in June of 1997. Regulatory balancing accounts increased due to overcollections in the gas fixed cost account as a result of higher than authorized sales volumes. Accounts payable and other current liabilities decreased due to an increase in payments for purchased gas.

FINANCING ACTIVITIES

Enova Corporation anticipates that it will require only minimal amounts of short-term debt in 1997, primarily for utility operations. Enova does not expect to issue stock or long-term debt in 1997, other than for SDG&E-related refinancings. In conjunction with electric industry restructuring, rate-reduction bonds are expected to be issued by an agency of the State of California. Additional information concerning these bonds is provided in Note 3 of the notes to financial statements, above.

Enova Financial repaid $30 million and issued $88 million of long-term debt during the first six months of 1997 in the ordinary course of business. During that same period SDG&E repaid $38 million of long-term debt.

SDG&E had short-term bank lines of $50 million and long-term bank lines of $330 million with $1 million of short-term loans outstanding at June 30, 1997. Commitment fees are paid on the unused portion of the lines. There are no requirements for compensating balances.

In March 1997 Enova Corporation repurchased three million shares of its outstanding common stock.

Quarterly cash dividends of $0.39 per share were declared for the first and second quarters of 1997 and for each quarter during the year ended December 31, 1996. The dividend payout ratio for the twelve months ended June 30, 1997 and years ended December 31, 1996, 1995, 1994, 1993 and 1992 were 81 percent, 79 percent, 80 percent, 130 percent, 82 percent and 81 percent, respectively. The increase in the payout ratio for the year ended December 31, 1994 was due to the writedowns recorded during 1994. For additional information regarding the writedowns, see Enova Corporation's 1996 Annual Report on Form 10-K. The payment of future dividends is within the discretion of the directors and is dependent upon future business conditions, earnings and other factors. Enova's directors have set a goal to reach a dividend payout of 60 percent to 70 percent of earnings through earnings growth and new investment. Net cash flows provided by operating activities currently are sufficient to maintain the payment of dividends at the anticipated level.

SDG&E maintains its capital structure so as to obtain long-term financing at the lowest possible rates. The following table shows the percentages of capital represented by the various components. The capital structures are net of the construction funds held by a trustee in 1992 and 1993.

	1992	1993	1994	1995	1996	June 30, 1997
Common equity	47%	47%	48%	49%	50%	49%
Preferred stock	5	4	4	4	4	4
Debt and leases	48	49	48	47	46	47
Total	100%	100%	100%	100%	100%	100%

The following table lists key financial ratios for SDG&E.

	Twelve months ended June 30, 1997	Year ended December 31, 1996
Pretax interest coverage	5.1 X	5.2 X
Internal cash generation	151 %	127 %
Construction expenditures as a percent of capitalization	7.7 %	7.4 %

DERIVATIVES: Registrants use derivative financial instruments to reduce exposure to fluctuations in interest rates, foreign currency exchange rates and natural-gas prices. These financial instruments are with major investment firms and expose Registrants to market and credit risks. These risks may at times be concentrated with certain counterparties, although counterparty non-performance is not anticipated. Registrants do not use derivatives for trading or speculative purposes.

At June 30, 1997 SDG&E had one interest-rate swap agreement: a floating-to-fixed-rate swap maturing in 2002 associated with $45 million of variable-rate bonds. SDG&E's pension fund periodically uses foreign currency forward contracts to reduce its exposure from exchange-rate fluctuations associated with certain investments in foreign equity securities. These contracts generally have maturities ranging from three to six months. Such contracts may expose the pension fund to credit loss if the counterparties fail to perform.

At June 30, 1997 Enova had various open natural-gas futures positions used to hedge against the volatility of natural-gas prices. The total amount of these open positions was immaterial.

There were no other derivative financial instruments outstanding at June 30, 1997.

INVESTING ACTIVITIES

Cash used in investing activities for the six months ended June 30, 1997 included utility construction expenditures and payments to the SONGS decommissioning trust. Utility construction expenditures, excluding nuclear fuel and the allowance for equity funds used during construction, were $209 million in 1996 and are estimated to be $230 million in 1997. Enova continuously reviews its construction, investment and financing programs and revises them in response to changes in competition, customer growth, inflation, customer rates, the cost of capital, and environmental and regulatory requirements. Among other things, SDG&E's level of expenditures in the next few years will depend heavily on the impacts of industry restructuring, and on the timing of expenditures to comply with air emission reduction and other environmental requirements. Payments to the nuclear decommissioning trust are expected to continue until SONGS is decommissioned, which is not expected to occur before 2013. Although Unit 1 was permanently shut down in 1992, it is expected to be decommissioned concurrently with Units 2 and 3.

In April 1997 Enova invested $21 million in Energy Pacific, the joint venture with Pacific Enterprises discussed in Note 2.

Enova's level of non-utility expenditures in the next few years will depend primarily on the activities of its other subsidiaries, including Enova International's plan to develop natural-gas distribution systems in Mexico. In March 1997 the Mexican Energy Regulatory Commission awarded Enova International and its partners, Pacific Enterprises International and Proxima S.A. de C.V., its second natural-gas privatization license in Mexico, allowing the partnership to build and operate a natural-gas distribution system in Chihuahua, Mexico. The partnership plans to invest approximately $50 million in the project and serve at least 50,000 customers in the first five years of operation.

OTHER SIGNIFICANT BALANCE SHEET CHANGES

Besides the effects of items discussed in the preceding pages, the only other significant change to the Registrants' balance sheets at June 30, 1997, compared to December 31, 1996 was a decrease in other current assets resulting from a shift in Enova's net deferred tax position from current assets to current liabilities.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no significant subsequent developments in litigation proceedings that were outstanding at December 31, 1996 and there have been no significant new litigation proceedings since that date.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit 12 - Computation of ratios

12.1 Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends as required under SDG&E's August 1993 registration of 5,000,000 shares of Preference Stock (Cumulative).

Exhibit 27 - Financial Data Schedules

27.1 Financial Data Schedule for the six months ended June 30, 1997 for Enova Corporation.

27.2 Financial Data Schedule for the six months ended June 30, 1997 for SDG&E.

(b) Reports on Form 8-K

A Current Report on Form 8-K was filed on July 17, 1997 announcing the California Public Utilities Commission's decision on Southern California Gas Company's Performance-Based Ratemaking proceeding.

SIGNATURE

Pursuant to the requirement 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.

ENOVA CORPORATION

SAN DIEGO GAS & ELECTRIC COMPANY
(Registrants)

Date: July 29, 1997 By: /s/ F.H. Ault

(Signature)

F. H. AULT

Vice President and Controller

EXHIBIT 12.1
SAN DIEGO GAS & ELECTRIC COMPANY
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED STOCK DIVIDENDS

	1992	1993	1994	1995	1996	6 Months Ended 6/30/97
Fixed Charges:						
Interest:						
Long-Term Debt	$ 97,067	$ 84,830	$ 81,749	$ 82,591	$ 76,463	$ 35,933
Short-Term Debt	5,043	6,676	8,894	17,886	12,635	6,878
Amortization of Debt Discount and Expense, Less Premium	2,881	4,162	4,604	4,870	4,881	2,526
Interest Portion of Annual Rentals	14,558	9,881	9,496	9,631	8,446	4,980
Total Fixed Charges	119,549	105,549	104,743	114,978	102,425	50,317
Preferred Dividends Requirements	9,600	8,565	7,663	7,663	6,582	3,291
Ratio of Income Before Tax to Net Income	1.71389	1.79353	1.83501	1.78991	1.88864	2.01833
Preferred Dividends for Purpose of Ratio	16,453	15,362	14,062	13,716	12,431	6,642
Total Fixed Charges and Preferred Dividends for Purpose of Ratio	$136,002	$120,911	$118,805	$128,694	$114,856	$ 56,959
Earnings:						
Net Income (before preferred dividend requirements)	$224,177	$215,872	$206,296	$219,049	$222,765	$ 96,832
Add:						
Fixed Charges (from above)	119,549	105,549	104,743	114,978	102,425	50,317
Less: Fixed Charges Capitalized	1,262	1,483	1,424	2,040	1,495	1,510
Taxes on Income	160,038	171,300	172,259	173,029	197,958	98,607
Total Earnings for Purpose of Ratio	$502,502	$491,238	$481,874	$505,016	$521,653	$244,246
Ratio of Earnings to Combined Fixed Charges and Preferred Dividends	3.69	4.06	4.06	3.92	4.54	4.29

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YEAR
DEC-31-1997
JUN-30-1997
PER-BOOK
2,987,432
366,799
356,715
93,430
279,870
4,084,246
291,458
566,234
480,195
1,337,887
25,000
78,475
1,175,734
1,000
0
0
52
0
96,492
6,670
1,362,936
4,084,246
986,528
99,895
745,481
845,376
141,152
(280)
140,872
44,040
96,832
3,291
93,541
160,406
35,933
266,470
0
0