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.. March 31, 1996

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 March 31, 1996:

Enova Corporation	116,563,375
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

	Enova Corporation and Subsidiaries		SDG&E	
For the three months ended March 31	1996	1995	1996	1995
Operating Revenues				
Electric	$367,293	$379,288	$367,293	$379,288
Gas	84,649	84,578	84,649	84,578
Diversified operations	13,955	14,089	--	--
Total operating revenues	465,897	477,955	451,942	463,866
Operating Expenses				
Electric fuel	23,824	23,848	23,824	23,848
Purchased power	71,623	86,264	71,623	86,264
Gas purchased for resale	35,498	34,665	35,498	34,665
Maintenance	14,814	19,283	14,814	19,283
Depreciation and decommissioning	71,188	67,818	66,814	64,464
Property and other taxes	11,834	11,488	11,834	11,488
General and administrative	45,638	40,957	45,170	40,454
Other	52,978	51,936	41,832	40,887
Income taxes	45,508	48,041	56,363	55,881
Total operating expenses	372,905	384,300	367,772	377,234
Operating Income	92,992	93,655	84,170	86,632
Other Income and (Deductions)				
Allowance for equity funds used during construction	1,249	1,560	1,249	1,560
Taxes on nonoperating income	(455)	(221)	(455)	(221)
Other - net	374	405	602	(247)
Total other income and (deductions)	1,168	1,744	1,396	1,092
Income Before Interest Charges	94,160	95,399	85,566	87,724
Interest Charges				
Long-term debt	22,562	24,291	19,094	21,054
Short-term debt and other	4,467	4,480	4,467	4,837
Allowance for borrowed funds used during construction	(567)	(712)	(567)	(712)
Preferred dividend requirements of SDG&E	1,646	1,916	--	--
Net interest charges	28,108	29,975	22,994	25,179
Income From Continuing Operations	66,052	65,424	62,572	62,545
Discontinued Operations, Net Of Income Taxes	--	(5,490)	--	(695)
Net Income	66,052	59,934	62,572	61,850
Preferred Dividend Requirements	--	--	1,646	1,916
Earnings Applicable to Common Shares	$66,052	$59,934	$60,926	$59,934
Average Common Shares Outstanding	116,570	116,533		
Earnings Per Common Share from Continuing Operations	$0.57	$0.56		
Earnings Per Common Share	$0.57	$0.51		
Dividends Declared Per Common Share	$0.39	$0.39		

See notes to consolidated financial statements.

BALANCE SHEETS
In thousands of dollars

Balance at	Enova Corporation and Subsidiaries March 31, 1996 (unaudited)	Enova Corporation and Subsidiaries December 31, 1995	SDG&E March 31, 1996 (unaudited)	SDG&E December 31, 1995
ASSETS				
Utility plant - at original cost	$5,572,122	$5,533,554	$5,572,122	$5,533,554
Accumulated depreciation and decommissioning	(2,500,499)	(2,433,397)	(2,500,499)	(2,433,397)
Utility plant-net	3,071,623	3,100,157	3,071,623	3,100,157
Investments and other property	579,953	532,289	308,506	448,860
Current assets				
Cash and temporary investments	82,472	96,429	9,346	20,755
Accounts receivable	173,238	178,155	169,313	178,091
Due from affiliates	--	--	24,745	--
Notes receivable	34,498	34,498	--	--
Inventories	67,162	67,959	67,162	67,959
Other	74,765	41,012	55,560	29,419
Total current assets	432,135	418,053	326,126	296,224
Deferred taxes recoverable in rates	300,607	298,748	300,607	298,748
Deferred charges and other assets	300,528	321,193	227,235	250,440
Total	$4,684,846	$4,670,440	$4,234,097	$4,394,429
CAPITALIZATION AND LIABILITIES				
Capitalization				
Common equity	$1,540,001	$1,520,070	$1,385,286	$1,520,070
Preferred stock of SDG&E				
Not subject to mandatory redemption	78,475	93,475	78,475	93,475
Subject to mandatory redemption	25,000	25,000	25,000	25,000
Long-term debt	1,333,378	1,350,094	1,186,305	1,217,026
Total capitalization	2,976,854	2,988,639	2,675,066	2,855,571
Current liabilities				
Short-term borrowings	3,400	--	3,400	--
Long-term debt redeemable within one year	115,000	115,000	115,000	115,000
Current portion of long-term debt	68,891	36,316	33,858	8,835
Accounts payable	114,641	145,517	114,312	145,273
Dividends payable	47,105	47,383	47,105	47,383
Interest and taxes accrued	24,875	22,537	29,633	23,621
Regulatory balancing accounts overcollected-net	180,164	170,761	180,164	170,761
Other	132,442	125,438	72,172	90,119
Total current liabilities	686,518	662,952	595,644	600,992
Customer advances for construction	33,645	34,698	33,645	34,698
Accumulated deferred income taxes-net	578,585	523,335	587,747	536,324
Accumulated deferred investment tax credits	102,739	104,226	102,739	104,226
Deferred credits and other liabilities	306,505	356,590	239,256	262,618
Contingencies (Note 2)	--	--	--	--
Total	$4,684,846	$4,670,440	$4,234,097	$4,394,429

See notes to consolidated financial statements.

STATEMENTS OF CASH FLOWS (unaudited)
In thousands of dollars

For the three months ended March 31	Enova Corporation and Subsidiaries 1996	Enova Corporation and Subsidiaries 1995	SDG&E 1996	SDG&E 1995
Cash Flows from Operating Activities				
Income from continuing operations	$ 66,052	$ 65,424	$ 62,572	$ 62,545
Adjustments to reconcile income from continuing operations to net cash provided by operating activities				
Depreciation and decommissioning	71,188	67,818	66,814	64,464
Amortization of deferred charges and other assets	1,425	3,221	1,425	3,221
Amortization of deferred credits and other liabilities	(8,768)	(8,074)	(292)	(292)
Allowance for equity funds used during construction	(1,249)	(1,560)	(1,249)	(1,560)
Deferred income taxes and investment tax credits	(29,087)	(2,097)	(27,864)	(2,720)
Other-net	(2,182)	(4,414)	(4,860)	(3,876)
Changes in working capital components				
Accounts and notes receivable	4,917	19,125	8,778	23,280
Regulatory balancing accounts	9,403	(3,117)	9,403	(3,117)
Inventories	797	1,526	797	1,526
Other current assets	1,029	1,106	968	(1,876)
Interest and taxes accrued	38,198	52,522	47,975	62,282
Accounts payable and other current liabilities	(41,633)	(47,708)	(48,908)	(58,670)
Cash flows used by discontinued operations	--	(1,957)	(11,544)	(1,476)
Net cash provided by operating activities	110,090	141,815	104,015	143,731
Cash Flows from Financing Activities				
Dividends paid	(45,467)	(44,284)	(47,383)	(46,200)
Short-term borrowings-net	3,400	(52,525)	3,400	(50,325)
Issuance of long-term debt	2,300	50,907	--	50,000
Repayment of long-term debt	(11,758)	(11,377)	--	--
Redemption of common stock	(480)	(101)	--	(101)
Redemption of preferred stock	(15,155)	--	(15,155)	--
Net cash used by financing activities	(67,160)	(57,380)	(59,138)	(46,626)
Cash Flows from Investing Activities				
Utility construction expenditures	(39,863)	(41,827)	(39,863)	(41,827)
Contributions to decommissioning funds	(5,505)	(5,505)	(5,505)	(5,505)
Other-net	(11,519)	(3,089)	(1,203)	(1,788)
Discontinued operations	--	1,374	(9,715)	(27,664)
Net cash used by investing activities	(56,887)	(49,047)	(56,286)	(76,784)
Net increase (decrease)	(13,957)	35,388	(11,409)	20,321
Cash and temporary investments, beginning of period	96,429	25,405	20,755	11,605
Cash and temporary investments, end of period	$ 82,472	$ 60,793	$ 9,346	$ 31,926
Supplemental disclosure of Cash Flow Information				
Income tax payments	$ 51,260	$ 9,201	$ 51,260	$ 9,201
Interest payments, net of amounts capitalized	$ 24,124	$ 26,298	$ 18,779	$ 22,359
Supplemental Schedule of Noncash Investing and Financing Activities				
Real estate investments	$ 31,012	$ 5,000	--	--
Cash paid	--	(250)	--	--
Liabilities assumed	$ 31,012	$ 4,750	--	--
Net assets of affiliates transferred to parent	--	--	$150,069	--

See notes to consolidated financial statements.

ENOVA CORPORATION/SAN DIEGO GAS & ELECTRIC COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. GENERAL

On January 1, 1996 Enova Corporation became the parent of SDG&E and its unregulated subsidiaries. SDG&E's outstanding common stock was converted on a share-for-share basis into Enova Corporation common stock. SDG&E's debt securities, preferred stock and preference stock were unaffected and remain with SDG&E. On January 31, 1996 SDG&E's ownership interests in its subsidiaries were transferred to Enova Corporation at book value, completing the parent company structure. Additional information concerning the effects of the parent company structure is provided in Note 3 herein.

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 Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein pertain 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. Certain prior year amounts have been reclassified for comparability.

The Registrants' significant accounting policies, as well as those of their subsidiaries, are described in the notes to consolidated financial statements in its 1995 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' 1995 Annual Report on Form 10-K. The consolidated financial statements and Management's Discussion & Analysis of Financial Condition and Results of Operations included in the Registrants' 1995 Annual Report to Shareholders were incorporated by reference into the Registrants' 1995 Annual Report on Form 10-K and filed as an exhibit thereto.

2. MATERIAL CONTINGENCIES

INDUSTRY RESTRUCTURING -- CALIFORNIA PUBLIC UTILITIES COMMISSION

In December 1995, the CPUC issued its policy decision on the restructuring of California's electric utility industry to stimulate competition and reduce rates. The decision provides that, beginning in January 1998, customers will be able to buy their electricity through a power exchange that will obtain power from the lowest-bidding suppliers. The exchange is a spot market with published pricing. An independent system operator (ISO) will schedule power transactions and access to the transmission system. Consumers also may choose to continue to purchase from their local utility under regulated tariffs. As a third option, a cross section of all customer groups (residential, industrial, commercial and agricultural) will be able to go directly to any energy supplier and enter into private contracts with generators, brokers or others (direct access). As the direct-access mechanism has many technical issues to be resolved, a 5-year phase-in is planned. All

California electricity consumers will have the option to purchase generation services directly by 2003. The utilities will continue to provide transmission and distribution services to customers who choose to purchase their energy from other providers.

Utilities will, within certain limits, be allowed to recover their "stranded" investment costs incurred for CPUC-approved facilities through the establishment of a non-bypassable competition transition charge (CTC). In addition to $301 million of deferred taxes recoverable in rates, SDG&E has approximately $202 million of other regulatory assets at March 31, 1996 (included in "Deferred Charges and Other Assets" on the Consolidated Balance Sheets), offset by $133 million of regulatory liabilities (included in "Accumulated Deferred Investment Tax Credits" and "Deferred Credits and Other Liabilities" on the Consolidated Balance Sheets). Of these amounts, approximately $64 million (net) is related to generation operations, of which $24 million (net) is related to nuclear operations. Recovery periods currently range from one to 30 years. It is estimated that at March 31, 1996, SDG&E had approximately $940 million of net generating plant (including approximately $740 million of nuclear facilities) currently being recovered in rates over various periods of time. Under the CPUC's industry restructuring decision, to the extent these investments exceed their market values, they must be recouped by 2005 through the CTC mechanism.

In addition, SDG&E has entered into significant long-term purchased-power commitments with various utilities and other providers totaling $3.4 billion. Also, under the CPUC's Biennial Resource Plan Update decision, SDG&E may be required to contract for an additional 500 megawatts of power over 17-year terms. The present value of ratepayer payments beginning in 1997 over the life of these contracts is estimated to be $2.3 billion. Prices under these contracts could significantly exceed the future market price. Both purchased-power and BRPU commitments are indexed to natural gas prices and are subject to significant fluctuation. SDG&E has challenged the CPUC's BRPU decision and the FERC has declared the BRPU auction procedures unlawful under federal law. The CPUC has issued a ruling encouraging SDG&E and other utilities to reach settlements with the auction winners. SDG&E has reached settlement with two auction winners. Settlement discussions with the others are ongoing. However, under the CPUC's industry restructuring decision, existing purchased-power obligations (including qualifying facilities) would be recovered through the CTC mechanism. For purposes of CTC, rates for customers choosing traditional utility service (instead of power exchange or direct access) will be capped at January 1, 1996, levels. Including the CTC, rates cannot exceed the cap and, therefore, recovery of the CTC is limited by the cap.

In April 1996 the CPUC issued an order in response to Pacific Gas and Electric's motion for interim CTC recovery and its concerns over lost revenues from large customers' choosing other electricity providers before plans for deregulation are finalized. The CPUC found that PG&E's request to require customers to pay all of the CTC before leaving the system was too severe a remedy in a competitive market, but that these customers have the responsibility to pay their fair share of transition costs. The CPUC deferred the setting of the interim CTC to a joint committee process open to all parties. SDG&E filed a motion on April 12, 1996 requesting that SDG&E be afforded interim CTC treatment as well and that this effort be consolidated with PG&E's and addressed by the joint committee.

Performance-based regulation will replace cost-of-service regulation for distribution services. SDG&E is currently participating in a performance-based ratemaking process on an experimental basis which began in 1993 and runs through 1998.

The utilities are required to file plans with the CPUC to implement direct access and new or revised PBR proposals. Plans to establish the power exchange and ISO are also required to be filed by the utilities with both the CPUC and the FERC, as the FERC has jurisdiction over the exchange, the ISO and interstate transmission.

The CPUC is currently working on building a consensus on the new market structure with the California Legislature, the governor, utilities and customers. The California Legislature has passed a resolution forming an oversight committee to ensure the legislature's involvement in the policies presented by the CPUC, and that the policies comply with federal and state laws and achieve the objectives both of competition and of the various social programs that are currently funded through utility rates.

As the restructuring of the industry evolves, SDG&E will become more vulnerable to competition. However, based on recent CPUC decisions, recovery of stranded costs is provided for, including recovery of SDG&E's investment in San Onofre Nuclear Generating Station Units 2 and 3. Due to the recent decisions, SDG&E does not anticipate incurring a material charge against earnings for its generating facilities, the related regulatory assets and other long-term commitments. In addition, although California utilities' rates are significantly higher than the national average, SDG&E has a lower concentration of industrial customers and is in its eighth year of being the lowest-cost provider among the investor-owned utilities in California, which make its customers a less-likely target for outside competitors.

SDG&E currently accounts for the economic effects of regulation in accordance with Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation," under which a regulated entity may record a regulatory asset if it is probable that, through the rate-making process, the utility will recover that asset from customers. Regulatory liabilities represent future reductions in revenues for amounts due to customers. Once the restructuring transition is final, SDG&E may not continue to meet the criteria for applying SFAS 71 to all of its operations in the new regulatory framework. In a non-SFAS 71 environment, additions to plant, among other things, would need to be recovered through market prices.

INDUSTRY RESTRUCTURING -- FEDERAL ENERGY REGULATORY COMMISSION

In April 1996 the FERC issued a final rule that will require all public electric utilities to offer wholesale "open-access" transmission service on a nondiscriminatory basis and to share information about available transmission capacity. In addition, public utilities will be required to functionally price their generation and transmission services separately from each other. The FERC also stated its belief that utilities should be allowed to recover the costs of assets and obligations made uneconomic by the changed regulatory environment. In October 1995 SDG&E filed for approval of its open-access tariffs for its service territory with the FERC in conjunction with its request for a marketing license for Enova Energy, a wholly owned subsidiary of Enova Corporation which desires to transact business at market-based rates in the wholesale energy market. In December 1995 the FERC issued a draft order approving SDG&E's open-access tariff, but rejecting Enova Energy's filing. This limits Enova Energy to cost-based rates. The FERC's final rule and the CPUC's industry restructuring plan will result in the creation of a bid-based wholesale electricity spot market with open-access transmission. The FERC's rule will go into effect during mid 1996.

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 $2.8 billion of property damage and decontamination liability. Coverage is also provided for the cost of replacement power, which includes indemnity payments for up to 2 years, after a waiting period of 21 weeks. Coverage is provided primarily 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 $9 million.

3. DISCONTINUED OPERATIONS

ENOVA CORPORATION:

On June 6, 1995 Enova Corporation sold its investment in Wahlco Environmental Systems, Inc. for $5 million. The sale of Wahlco has been accounted for as a disposal of a segment of business. Enova Corporation's financial statements for prior periods have been restated to reflect Wahlco as a discontinued operation in accordance with Accounting Principles Board Opinion No. 30 "Reporting the Effects of a Disposal of a Segment of Business." Enova Corporation's discontinued operations are summarized in the table below:

	Three Months Ended March 31, 1995	1995	Year Ended December 31, 1994	1993
In millions of dollars				
Revenues	$14	$24	$70	$82
Loss from operations before income taxes	-	-	(70)	(14)
Loss on disposal of Wahlco before income taxes	(9)	(12)	-	-
Income tax benefits	4	12	7	5

The loss on disposal of Wahlco was recorded in 1995 and reflects the sale of Wahlco and Wahlco's net operating losses after 1994. The loss from discontinued operations for 1994 was primarily due to the $59 million writedown of Wahlco's goodwill and other intangible assets as a result of the depressed air pollution-control market and increasing competition. The 1995 income tax benefit includes the effects of the 1994 writedown to the extent recognizable thus far.

SDG&E:

SDG&E's financial statements for periods prior to 1996 have been restated to reflect the results of the transferred subsidiaries (described in Note 1 herein) and the sale of Wahlco as discontinued operations. SDG&E's discontinued operations are summarized in the table below.

	Three Months Ended March 31, 1995	Year Ended December 31 1995	1994	1993
In millions of dollars				
Revenues	$28	$81	$126	$119
Loss from operations before income taxes	(3)	(24)	(105)	(19)
Loss on disposal of Wahlco before income taxes	(9)	(12)	-	-
Income tax benefits	11	50	43	22

The net assets of the subsidiaries (included in "Investments and Other Property" on SDG&E's Consolidated Balance Sheets) at December 31, 1995 are summarized as follows:

In millions of dollars	
Current assets	$ 122
Non-current assets	286
Current liabilities	(62)
Long-term debt and other liabilities	(214)
Net assets	$ 132

ITEM 2.

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

RESULTS OF OPERATIONS:

On January 1, 1996 Enova Corporation became the parent of SDG&E and its unregulated subsidiaries. SDG&E's outstanding common stock was converted on a share-for-share basis into Enova Corporation common stock. SDG&E's debt securities, preferred stock and preference stock were unaffected and remain with SDG&E. On January 31, 1996 SDG&E's ownership interests in its subsidiaries were transferred to Enova Corporation at book value, completing the parent company structure. Effective January 1, 1996 SDG&E's financial statements for periods prior to 1996 have been restated to reflect the net results of non-utility subsidiaries as discontinued operations in accordance with Accounting Principles Board Opinion No. 30 "Reporting the Effects of a Disposal of a Segment of Business." For additional information see Notes 1 and 3 of the notes to consolidated financial statements herein, and the 1995 Annual Report on Form 10-K.

The following discussions reflect the results for the three months ended March 31, 1996 compared to the corresponding period in 1995:

OPERATING REVENUES

Electric revenues decreased due primarily to lower purchased power costs and lower authorized return in 1996. Gas revenues and revenues from Enova Corporation's diversified operations did not change significantly.

OPERATING EXPENSES

Purchased power expense decreased due to the availability of lower-cost nuclear generation in 1996. Electric fuel expense did not change significantly, reflecting increased nuclear generation offset by lower natural gas-fired generation. (Energy supply sources were shifted to purchased power and fossil-fuel generation in 1995 as a result of nuclear refuelings during 1995).

EARNINGS

Earnings per common share from continuing operations were $0.57 in 1996, compared to $0.56 for the corresponding period in 1995. The increase in earnings from continuing operations in 1996 is due to Enova Financial's additional investments in affordable-housing limited partnerships.

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. See additional discussion of industry restructuring in Note 2 of the notes to consolidated financial statements.

SAN ONOFRE NUCLEAR GENERATION STATION UNITS 2 & 3

In April 1996 the CPUC approved the accelerated recovery of existing capital costs over an eight-year period beginning April 15, 1996. During this period, SDG&E's overall authorized rate of return on the investment will be 7.14 percent. The decision includes a performance incentive plan that encourages continued, efficient operation of the plant during the eight-year period. During the eight-year period, customers will pay approximately four cents per kilowatt-hour. This pricing structure replaces the traditional method of recovering the units' operating expenses and capital improvements and is intended to make the units more competitive with other sources.

ELECTRIC RATES

A settlement agreement was filed in February 1996 resolving all issues in the forecast phase of SDG&E's 1996 ECAC application. The settlement recommends a $22 million rate decrease which reflects a lower fuel and purchased-power forecast, previous balancing account overcollections and the 3.8 cents/kwh incremental cost incentive pricing under the SONGS 2 & 3 settlement. The settlement incorporates a plan to refund $35 million of the ECAC balancing account overcollection while amortizing the remainder over 12 months. A final CPUC decision is expected in May 1996. If the settlement is adopted, SDG&E's system average rate will be 9.64 cents/kwh effective June 1, 1996. SDG&E's authorized system average rate is currently 9.87 cents/kwh.

GAS RATES

In April 1996 SDG&E filed its application under the Biennial Cost Allocation Proceeding, proposing a $42 million decrease in natural-gas rates. If approved as filed, the monthly bill of a typical residential natural-gas customer would decrease about $0.63. This request for a rate decrease reflects lower natural-gas transportation costs. Hearings will be scheduled for mid 1996 and a final CPUC decision is expected by December 1996. The rate change would be effective in January 1997 if approved.

In March 1996 SDG&E filed an application with the CPUC for authorization to change its core gas procurement rate on a monthly basis instead of annually in order to better reflect market price changes in SDG&E's customer rates. A CPUC decision is expected in mid-1996.

DEMAND-SIDE MANAGEMENT

SDG&E estimates 1995 shareholder rewards from its DSM programs to be $40 million, an increase compared to 1994 results of $9 million. This increase is due to completion of several large government projects. The rewards will be collected and recorded in earnings over a ten-year period and are subject to CPUC approval which is expected in late 1996.

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 related to 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, the only significant changes in cash flows from operations for the three months ended March 31, 1996 compared to the corresponding 1995 period were related to the changes in income taxes and interest accrued and deferred income taxes and investment tax credits. The changes were due primarily to the differences in timing of income tax payments and payments in connection with an audit of prior income tax returns.

FINANCING ACTIVITIES

Enova Corporation anticipates that it will require only minimal amounts of short-term debt in 1996 primarily for utility operations. Enova does not expect to issue stock or long-term debt in 1996, other than for SDG&E-related refinancings. Enova Financial repaid $12 million of long-term debt during the first quarter of 1996 during the ordinary course of business.

At March 31, 1996 SDG&E had short-term bank lines of $30 million and long-term bank lines of $280 million with short-term loans outstanding of $3.4 million. Commitment fees are paid on the unused portion of the lines. There are no requirements for compensating balances.

On January 15, 1996 SDG&E redeemed its $7.20 series preference stock. The entire $15 million issue was called for mandatory redemption at $101 per share.

Quarterly cash dividends of $0.39 per share were declared for the first quarter of 1996 and for each quarter during the year ended December 31, 1995. The dividend payout ratio for the first quarter of 1996 and years ended December 31, 1995, 1994, 1993, 1992 and 1991 were 68 percent, 80 percent, 130 percent, 82 percent, 81 percent and 79 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 1995 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. Net cash flows provided by operating activities currently are sufficient to maintain the payment of dividends at the present 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.

	1991	1992	1993	1994	1995	March 31, 1996
Common equity	47%	47%	47%	48%	49%	49%
Preferred stock	5	5	4	4	4	4
Debt and leases	48	48	49	48	47	47
Total	100%	100%	100%	100%	100%	100%

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

	Twelve months ended March 31, 1996	Year ended December 31, 1995
Pretax interest coverage	4.6 X	4.5 X
Internal cash generation	107 %	115 %
Construction expenditures as a percent of capitalization	7.7 %	7.7 %

DERIVATIVES: Enova Corporation's policy is to use derivative financial instruments to reduce its exposure to fluctuations in interest rates and foreign currency exchange rates. These financial instruments are with major investment firms and, along with cash and cash equivalents and accounts receivable, expose Enova Corporation to market and credit risks. These risks may at times be concentrated with certain counterparties. Enova Corporation presently contemplates use of similar instruments to reduce its exposure to fluctuations in natural gas prices. Enova Corporation does not use derivatives for trading or speculative purposes.

SDG&E periodically enters into interest-rate swap and cap agreements to moderate its exposure to interest-rate changes and to lower its overall cost of borrowing. These swap and cap agreements generally remain off the balance sheet as they involve the exchange of fixed- and variable-rate interest payments without the exchange of the underlying principal amounts. The related gains or losses are reflected in the income statement as part of interest expense. SDG&E would be exposed to interest-rate fluctuations on the underlying debt should other parties to the agreement not perform. Such non-performance is not anticipated. At March 31, 1996 SDG&E had two such agreements, including an index cap agreement on $75 million of bonds maturing in 1996, and a floating-to-fixed-rate swap associated with $45 million of variable-rate bonds maturing in 2002.

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 March 31, 1996 there were no forward contracts outstanding.

INVESTING ACTIVITIES

Cash used in investing activities for the three months ended March 31, 1996 included utility construction expenditures and payments to its nuclear decommissioning trust. Utility construction expenditures, excluding nuclear fuel and the allowance for equity funds used during construction, were $221 million in 1995 and are estimated to be $220 million in 1996. The company 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, the level of expenditures in the next few years will depend heavily on the impact of the CPUC's industry restructuring decision, on the timing of expenditures to comply with air emission reduction and other environmental requirements, on the company's plan to transport natural gas to Mexico and, on the scope of Enova Technologies' investment in new technologies. 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.

OTHER SIGNIFICANT BALANCE SHEET CHANGES

Besides the effects of items discussed in the preceding pages, significant changes to Enova Corporation's and SDG&E's balance sheets at March 31, 1996, compared to December 31, 1995 were in investments and other property, other current assets, accounts payable, accumulated deferred income taxes and deferred credits and other liabilities. The increase in investments and other property for Enova Corporation was due to Enova Financial's affordable-housing investments. The decrease in investments and other property for SDG&E was due to SDG&E's transfer of the nonutility subsidiaries to Enova Corporation in January 1996. The increases in other current assets and accumulated deferred income taxes were due to differences in the timing of income tax payments. The decrease in accounts payable was due to lower accruals for demand-side management and lower incentive compensation and other expense accruals at March 31, 1996. The decreases in deferred charges and other assets and in deferred credits and other liabilities were due primarily to a decrease in the projected pension benefit obligation as a result of a lower assumed actuarial discount rate.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no significant subsequent developments in the Public Service Company of New Mexico, Canadian Natural Gas, and Electric and Magnetic Fields (Covalt and North City West) proceedings. Background information concerning these and the following proceedings is contained in Enova Corporation's 1995 Annual Report on Form 10-K.

SONGS Personal Injury Litigation

In Mettler v. Southern California Edison, et al., on March 25, 1996 the judge granted Southern California Edison's motion for summary judgment based upon the workers' compensation exclusivity rule, thus dismissing Edison from the case. On April 8, 1996 the judge denied SDG&E's motion for summary judgment based on the same theory. There have been no significant subsequent developments in the other SONGS cases.

SDG&E is unable to predict the ultimate outcome of these proceedings.

ITEM 4. - ENOVA CORPORATION

The shareholders of Enova Corporation elected four Class I Directors at the annual meeting on April 23, 1996. The name of each nominee and the number of shares voted for or withheld were as follows:

Nominees	Votes For	Votes Withheld
Richard C. Atkinson	99,641,466	2,803,388
Stephen L. Baum	99,668,933	2,775,921
Ann Burr	99,569,191	2,875,663
Richard A. Collato	99,691,331	2,753,523

The results of the voting on the following additional items were as follows:

(a) A shareholder proposal regarding criteria for incentive compensation.

In Favor	16,344,270
Opposed	65,830,522
Abstained	3,493,183
Broker Non-Vote	16,776,879

(b) A shareholder proposal regarding criteria for stock options.

In Favor	14,479,136
Opposed	67,477,641
Abstained	3,710,891
Broker Non-Vote	16,777,186

Additional information concerning the election of the board of directors and other proposals is contained in Enova Corporation's 1996 Proxy Statement and Notice of Annual Meeting.

ITEM 4. - SAN DIEGO GAS & ELECTRIC COMPANY

The shareholders of San Diego Gas & Electric Company elected 11 directors at the annual meeting on April 23, 1996. The name of each nominee and the number of preference and preferred shares voted for or withheld are summarized below. All 116,583,358 common shares, which are owned by Enova Corporation, were voted for the nominees.

Nominees	Votes For	Votes Withheld
Richard C. Atkinson	2,301,402	34,530
Stephen L. Baum	2,305,902	30,030
Ann Burr	2,298,502	37,430
Richard A. Collato	2,302,302	33,630
Daniel W. Derbes	2,302,302	33,630
Donald E. Felsinger	2,305,502	30,430
Richard H. Goldsmith	2,300,922	35,010
William D. Jones	2,301,122	34,810
Ralph R. Ocampo	2,301,524	34,408
Thomas A. Page	2,304,742	31,190
Thomas C. Stickel	2,301,602	34,330

Additional information concerning the election of the board of directors is contained in SDG&E's 1996 Proxy Statement and Notice of Annual Meeting.

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 quarter ended March 31, 1996 for Enova Corporation.

27.2 Financial Data Schedule for the quarter ended March 31, 1996 for SDG&E.

(b) Reports on Form 8-K

A Current Report on Form 8-K was filed on February 2, 1996 to report that on January 31, 1996 SDG&E's ownership interests in its subsidiaries were transferred to Enova Corporation at book value, completing the organizational restructuring into the new parent company framework.

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: April 26, 1996

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

	1991	1992	1993	1994	1995	3 Months Ended 3/31/96
Fixed Charges:						
Interest:						
Long-Term Debt	$ 95,124	$ 97,067	$ 84,830	$ 81,749	$ 82,591	$ 19,094
Short-Term Debt	7,010	5,043	6,676	8,894	17,886	3,261
Amortization of Debt Discount and Expense, Less Premium	2,471	2,881	4,162	4,604	4,870	1,206
Interest Portion of Annual Rentals	18,067	14,558	9,881	9,496	9,631	2,246
Total Fixed Charges	122,672	119,549	105,549	104,743	114,978	25,807
Preferred Dividends Requirements	10,535	9,600	8,565	7,663	7,663	1,646
Ratio of Income Before Tax to Net Income	1.64160	1.71389	1.79353	1.83501	1.78991	1.90804
Preferred Dividends for Purpose of Ratio	17,294	16,453	15,362	14,062	13,716	3,141
Total Fixed Charges and Preferred Dividends for Purpose of Ratio	$139,966	$136,002	$120,911	$118,805	$128,694	$ 28,948
Earnings:						
Net Income (before preferred dividend requirements)	$202,544	$224,177	$215,872	$206,296	$219,049	$ 62,572
Add:						
Fixed Charges (from above)	122,672	119,549	105,549	104,743	114,978	25,807
Less: Fixed Charges Capitalized	2,322	1,262	1,483	1,424	2,040	330
Taxes on Income	129,953	160,038	171,300	172,259	173,029	56,818
Total Earnings for Purpose of Ratio	$452,847	$502,502	$491,238	$481,874	$505,016	$144,867
Ratio of Earnings to Combined Fixed Charges and Preferred Dividends	3.24	3.69	4.06	4.06	3.92	5.00

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YEAR
DEC-31-1996
MAR-31-1996
PER-BOOK
3,071,623
579,953
432,135
130,828
470,307
4,684,846
291,408
565,434
683,159
1,540,001
25,000
78,475
1,095,248
3,400
147,073
0
175,370
0
91,057
8,521
1,520,701
4,684,846
465,897
45,508
327,397
372,905
92,992
1,168
94,160
28,108
66,052
0
66,052
45,460
22,562
110,090
0.57
0.57

PREFERRED DIVIDEND OF SUBSIDIARY INCLUDED IN INTEREST EXPENSE