
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): August 15, 2011

SAN DIEGO GAS & ELECTRIC COMPANY

(Exact name of registrant as specified in its charter)

CALIFORNIA
(State or Other Jurisdiction
of Incorporation)

1-3779
(Commission
File Number)

95-1184800
(IRS Employer
Identification No.)

8326 CENTURY PARK COURT, SAN DIEGO, CALIFORNIA
(Address of Principal Executive Offices)

92123
(Zip Code)

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

None.

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

On August 18, 2011, San Diego Gas & Electric Company (the "Company") closed the public offering and sale of \$350,000,000 aggregate principal amount of its 3.00% First Mortgage Bonds, Series JJJ, due 2021 (the "Bonds") with proceeds to the Company (after deducting underwriting discounts but before other expenses estimated at approximately \$250,000) of 98.837% of the aggregate principal amount of the Bonds. The sale of the Bonds was registered under the Company's Registration Statement on Form S-3 (File No. 333-159046). The Bonds were issued pursuant to a Supplemental Indenture, dated as of August 18, 2011, which is attached hereto as Exhibit 4.1. The Bonds will mature on August 15, 2021. Interest on the Bonds accrues from August 18, 2011 and is payable on February 15 and August 15 of each year, beginning on February 15, 2012. The Bonds will be redeemable prior to maturity, at the Company's option, at the redemption prices and under the circumstances described in the prospectus supplement and the accompanying prospectus relating to the offering filed with the Securities and Exchange Commission on August 15, 2011; the information in the prospectus supplement and the accompanying prospectus is incorporated by reference herein. Further information regarding the sale of the Bonds is contained in the underwriting agreement, dated August 15, 2011, which is attached hereto as Exhibit 1.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
1.1	Underwriting Agreement, dated August 15, 2011, between San Diego Gas & Electric Company and the several underwriters named therein.
4.1	Supplemental Indenture, dated as of August 18, 2011.
4.2	Form of Bond (Included in Exhibit 4.1 hereto).
5.1	Opinion of Latham & Watkins LLP.
23.1	Consent of Latham & Watkins LLP (contained in the opinion filed as Exhibit 5.1 hereto).

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

SAN DIEGO GAS & ELECTRIC COMPANY

Date: August 18, 2011

By: /s/ Robert M. Schlax

Name: Robert M. Schlax

Title: Vice President, Chief Financial Officer,
Controller, Treasurer and Chief Accounting Officer

EXHIBIT INDEX

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San Diego Gas & Electric Company
3.00% First Mortgage Bonds, Series JJJ, due 2021

Underwriting Agreement

August 15, 2011

CastleOak Securities, L.P.
110 East 59th Street, 2nd Floor
New York, New York 10022

Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

RBC Capital Markets, LLC
Three World Financial Center
200 Vesey Street
New York, New York 10281

UBS Securities LLC
677 Washington Boulevard
Stamford, Connecticut 06901

As Representatives of the several Underwriters

Ladies and Gentlemen:

San Diego Gas & Electric Company, a California corporation (the “**Company**”), confirms its agreement with each of the Underwriters named in Schedule I hereto (collectively, the “**Underwriters**,” which term shall also include any underwriter substituted as hereinafter provided in Section 9 hereof), for whom CastleOak Securities, L.P., Deutsche Bank Securities Inc., RBC Capital Markets, LLC and UBS Securities LLC are acting as representatives (the “**Representatives**”), with respect to the issue and sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of \$350,000,000 aggregate principal amount of the Company’s 3.00% First Mortgage Bonds, Series JJJ, due 2021 (the “**Bonds**”). The Bonds are to be issued pursuant to an Indenture dated as of July 1, 1940 (the “**Base Indenture**”), as supplemented and amended by the Supplemental Indenture dated as of August 18, 2011 (the “**Current Supplemental Indenture**”) and all other indentures supplemental thereto and amendatory thereof (each, including the Current Supplemental Indenture, a “**Supplemental Indenture**,” the Base Indenture, as amended and supplemented by all Supplemental Indentures, is referred to herein as the “**Indenture**”), each between the Company and U.S. Bank National Association, as successor trustee (the “**Trustee**”).

The Company has filed with the Securities and Exchange Commission (the “**Commission**”) a shelf registration statement on Form S-3 (File No. 333-159046), as amended by Amendment No. 1 thereto, under the Securities Act of 1933, as amended (the “**Act**”) for the registration of the Company’s first mortgage bonds (the “**First Mortgage Bonds**”) (such registration statement, as amended, including the information deemed pursuant to Rule 430B under the rules and regulations of the Commission under the Act (the “**Rules and Regulations**”) to be part of the registration statement at the time of its effectiveness (“**Rule 430B Information**”) the “**Initial Registration Statement**”); the Initial Registration Statement and any post-effective amendments thereto subsequent to the date hereof, each in the form heretofore delivered or to be delivered to the Representatives and, excluding exhibits to the Initial Registration Statement but including all documents incorporated by reference in the prospectus contained in such Initial Registration Statement, to the Representatives for each of the other Underwriters, has been declared effective by the Commission in such form; a registration statement, if any, increasing the size of the offering, filed pursuant to Rule 462(b) of the Rules and Regulations is herein referred to as the “**Rule 462(b) Registration Statement**.”

The term “**Registration Statement**” means, collectively, the various parts of the Initial Registration Statement, any post-effective amendments thereto and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the Initial Registration Statement at the time such part of the Initial Registration Statement became effective but excluding any Form T-1 (as defined below), each as amended at the time such part of the Initial Registration Statement became effective or such Rule 462(b) Registration Statement, if any, became or hereafter becomes effective. The Company proposes to file with the Commission pursuant to Rule 424(b) of the Rules and Regulations the Prospectus Supplement (as defined in Section 5(h)) hereof relating to the Bonds and the prospectus dated May 26, 2009 (the “**Base Prospectus**”), and has previously advised you of all further information (financial and other) with respect to the Company set forth therein. The Base Prospectus together with the Prospectus Supplement, in their respective forms on the date hereof (being the forms in which they are to be filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations), including all documents incorporated or deemed to be incorporated by reference therein through the date hereof, are hereinafter referred to as, collectively, the “**Prospectus**,” except that if any revised prospectus or prospectus supplement shall be provided to the Underwriters by the Company for use in connection with the offering and sale of the Bonds which differs from the Prospectus (whether or not such revised prospectus or prospectus supplement is required to be filed by the Company pursuant to Rule 424(b) of the Rules and Regulations), the term “Prospectus” shall refer to such revised prospectus or prospectus supplement, as the case may be, from and after the time it is first provided to the Underwriters for such use. The term “**Preliminary Prospectus**,” as used in this Agreement, means the preliminary prospectus supplement dated August 15, 2011 and filed with the Commission on August 15, 2011 pursuant to Rule 424(b) of the Rules and Regulations, together with the Base Prospectus used with such preliminary prospectus supplement in connection with the marketing of the Bonds, in each case as amended or supplemented by the Company, including all documents incorporated or deemed to be incorporated by reference therein through the date thereof. Unless the context otherwise requires, all references in this Agreement to

documents, financial statements and schedules and other information which is “contained,” “included,” “stated,” “described in” or “referred to” in the Registration Statement, the Preliminary Prospectus or the Prospectus (and all other references of like import) shall be deemed to mean and include all such documents, financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), after the date of this Agreement which is or is deemed to be incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be.

At or prior to 1:40 p.m. (New York City time) on the date hereof, which was the time when sales of the Bonds were first made (such time, the “**Applicable Time**”), the Company had prepared the following information (collectively the “**Pricing Disclosure Package**”): the Preliminary Prospectus and each “free-writing prospectus” (as defined pursuant to Rule 405 of the Rules and Regulations) listed on Schedule II hereto.

1. The Company represents and warrants to each Underwriter as of the date hereof (such date being hereinafter referred to as the “**Representation Date**”), as of the Applicable Time, and as of the Time of Delivery referred to in Section 4 as follows:

(a) No order preventing or suspending the use of the Preliminary Prospectus has been issued by the Commission, and the Preliminary Prospectus, at the time of filing thereof, complied in all material respects with the Act and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (a) shall not apply to statements in or omissions from the Preliminary Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Preliminary Prospectus;

(b) The Pricing Disclosure Package, at the Applicable Time did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (b) shall not apply to statements in or omissions from the Pricing Disclosure Package made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in such Pricing Disclosure Package;

(c) The Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 of the Rules and Regulations) that constitutes an offer to sell or solicitation of an offer to buy the Bonds (each such

communication by the Company or its agents and representatives other than the Underwriters in their capacity as such (other than a communication referred to in clauses (i), (ii) and (iii) below) an “**Issuer Free Writing Prospectus**”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 of the Rules and Regulations, (ii) the Preliminary Prospectus, (iii) the Prospectus, (iv) the documents listed on Schedule II hereto and (v) any electronic road show or other written communications, in each case approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been or will be (within the time period specified in Rule 433 of the Rules and Regulations) filed (to the extent required thereby) in accordance with the Act and when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and at the Time of Delivery will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (c) shall not apply to statements in or omissions from any Issuer Free Writing Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in any Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Bonds or until any earlier date that the Company notified or notifies the Representatives as described in Section 5(c) with respect to such Issuer Free Writing Prospectus, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus or the Preliminary Prospectus that has not been superseded or modified;

(d) The Registration Statement, at the respective times the Registration Statement and any post-effective amendments thereto became effective, and the Registration Statement and the Prospectus, as of the Representation Date, complied and comply in all material respects with the requirements of the Act and the Rules and Regulations (including Rule 415(a) of the Rules and Regulations), and the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), and the rules and regulations of the Commission under the Trust Indenture Act, and the Registration Statement did not and as of the Representation Date and at the Time of Delivery does not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. No order suspending the effectiveness of the Registration Statement has been issued under the Act and no proceedings for that purpose or pursuant to Section 8A of the Act against the Company or related to the offering of the Bonds have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with. The Prospectus, at the Representation Date (unless the term “Prospectus” refers to a prospectus which has been provided to the Underwriters by the Company for use in connection with the offering of the Bonds which differs from the Prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations, in which case at the time it is first provided to the Underwriters for such use) and at the Time of Delivery,

does not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (d) shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Registration Statement or the Prospectus or the information contained in any Statement of Eligibility and Qualification of a trustee under the Trust Indenture Act filed as an exhibit to the Registration Statement (a “**Form T-1**”);

(e) The documents filed by the Company and incorporated or deemed to be incorporated by reference into the Registration Statement, the Prospectus and the Pricing Disclosure Package pursuant to Item 12 of Form S-3 under the Act, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder (the “**Exchange Act Regulations**”), and, when read together and with the other information in the Registration Statement, the Prospectus and the Pricing Disclosure Package, at the respective times the Registration Statement and any amendments thereto became effective, at the Representation Date, the Applicable Time and at the Time of Delivery, did not, do not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) The Company and its subsidiaries, taken as a whole, have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus; and, since the date as of which information is given in the Pricing Disclosure Package and the Prospectus, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus;

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of California, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified would not subject it to material liability or disability; the subsidiaries of the Company, considered in the aggregate as a single subsidiary, do not constitute a “significant subsidiary” as defined in Rule 1-02 of Regulation S-X;

(h) The Company has an authorized capitalization as set forth in the Pricing Disclosure Package and the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform to the description thereof contained in the Prospectus;

(i) The Bonds have been duly authorized for issuance and sale by the Company and, when the Bonds are issued and delivered pursuant to this Agreement, the Bonds will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture and enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, receivership, liquidation, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and, at the Time of Delivery, the Indenture will have been duly executed by, and will constitute a valid and legally binding agreement of, the Company, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, receivership, liquidation, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms, and the Bonds will conform, to the descriptions thereof contained in the Pricing Disclosure Package and the Prospectus, as amended or supplemented;

(j) This Agreement has been duly authorized, executed and delivered by the Company;

(k) The issue and sale of the Bonds and the compliance by the Company with all of the provisions of the Bonds, the Indenture and this Agreement, and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any material contract, indenture, mortgage, deed of trust, loan agreement, note, lease or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the material properties or assets of the Company is subject, nor will such action result in any violation of the provisions of the Articles of Incorporation or Bylaws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its material properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Bonds or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture, except such as have been obtained under the Act, the Trust Indenture Act and from the Public Utilities Commission of the State of California and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters;

(l) The statements set forth in the Pricing Disclosure Package and the Prospectus, as amended or supplemented, under the captions “Description of First Mortgage Bonds” and “Supplemental Description of First Mortgage Bonds,” insofar as they purport to constitute a summary of the terms of the First Mortgage Bonds or the Indenture, and under the captions “Plan of Distribution” and “Underwriting,” insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects;

(m) The Company is not (i) in violation of its Articles of Incorporation or Bylaws or (ii) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except in the case of clause (ii) for such defaults which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole;

(n) Other than as set forth in the Pricing Disclosure Package and the Prospectus, (i) there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject except for such proceedings which, if determined adversely to the Company or any of its subsidiaries, would not reasonably be expected individually or in the aggregate to have a material adverse effect on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole and (ii) to the best of the Company’s knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(o) The Company is not and after giving effect to the offering and sale of the Bonds, will not be, an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended (the “**Investment Company Act**”);

(p) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its subsidiaries, taken as a whole, is an independent registered public accounting firm as required by the Act and the Rules and Regulations and the rules and regulations of the Public Company Accounting Oversight Board;

(q) The financial statements of the Company and its consolidated subsidiaries included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and Prospectus present fairly in all material respects the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; and, except as stated therein, such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis;

(r) The Company and each of its consolidated subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences;

(s) The Company and each of its consolidated subsidiaries maintain "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are effective;

(t) The Company and its subsidiaries possess such certificates, authorities or permits issued by the appropriate state, federal, local or foreign regulatory agencies or bodies necessary to conduct the businesses now operated by them, except where the failure to possess such certificates, authorities or permits, individually or in the aggregate, would not have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(u) The Company and its subsidiaries are in compliance with, and conduct their respective businesses in conformity with, all applicable state, federal, local and foreign laws and regulations relating to the operation and ownership of a public utility, including, without limitation, those relating to the distribution and transmission of natural gas, except to the extent that any failure so to comply or conform would not individually or in the aggregate have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(v) The Public Utilities Commission of the State of California has duly authorized the issuance and sale of the Bonds by the Company on the terms set forth in the Pricing Disclosure Package and the Prospectus and in this Agreement, such authorization is in full force and effect and no authorization of any other governmental agency having regulatory jurisdiction over the Company is required for such issuance and sale except such as may be required by the securities or blue sky laws of any jurisdiction;

(w) The Company and its subsidiaries hold all franchises, certificates of public convenience and necessity, permits, licenses and easements necessary to own, operate and maintain their properties as described in the Pricing Disclosure Package and the Prospectus except to the extent that such failure, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(x) The Company and its subsidiaries have good and valid title to all the principal plants and other important units of their property and to all other real estate and fixed property (including plants, machinery and equipment) specifically described in the Indenture as subject to the lien thereof (except property theretofore retired or released from such lien in accordance with the terms of the Indenture) subject only to Permitted Liens (as defined in the Indenture) and permitted Non-Callable Liens (as defined in the Indenture) (collectively, “**Permissible Encumbrances**”) and other liens and charges permitted by the Indenture and such liens, charges, encumbrances, defects, qualifications, exceptions and other matters affecting title, possession or use as are set forth or referred to in the Prospectus or which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole;

(y) The Base Indenture and each Supplemental Indenture has been duly recorded (or, in the case of the Current Supplemental Indenture, arrangements have been made for the recording thereof as promptly as practicable following the Time of Delivery) in all offices of county recorders or clerks of all counties in the State of California and the State of Arizona in which any real property subject to the lien of the Indenture is located, appropriate financing statements in respect of personal property and fixtures have been filed in the Office of the Secretary of State of the State of California and arrangements have been made for an appropriate financing statement in respect of personal property and fixtures to be filed in the Office of the Secretary of State of the State of Arizona as promptly as practicable following the Time of Delivery, and no other filing or recordation is necessary for the perfection and preservation of the lien created thereby except for recordations required in respect of after-acquired real property;

(z) The Indenture constitutes, as security for the Bonds, a valid and subsisting lien to the extent that it purports to be such on all the present properties of the Company (including plants, machinery, equipment, real estate and fixed property), rights and franchises of the Company and its subsidiaries (other than those properties excepted or released from the lien of the Indenture by its terms) subject only to Permissible Encumbrances and other liens and charges permitted by the Indenture and such liens, charges and encumbrances, defects, qualifications, exceptions and other matters as are set forth or referred to in the Pricing Disclosure Package and the Prospectus, or which would not reasonably be expected to materially affect the security for the Bonds, and upon acquisition thereafter by the Company of similar properties, the Indenture will, subject to liens existing thereon at the time of acquisition, create such a lien thereon; and

(aa) Except as otherwise described in the Pricing Disclosure Package and the Prospectus and except as would not, singly or in the aggregate, result in a material adverse effect on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign

statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violations, investigations or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws;

2. The Company understands that upon authorization by the Representatives of the release of the Bonds, the several Underwriters propose to offer the Bonds for sale upon the terms and conditions set forth in the Prospectus, as amended or supplemented.

3. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at 98.837% of the principal amount thereof, the aggregate principal amount of Bonds set forth in Schedule I opposite the name of such Underwriter, plus any additional principal amount of Bonds which such Underwriter may become obligated to purchase pursuant to the provisions of Section 9 hereof.

4. Payment of the purchase price for, and delivery of certificates for, the Bonds shall be made at the office of Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022 or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 a.m., (New York City time), on August 18, 2011, or such other time not later than ten New York business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called the "**Time of Delivery**"). Payment shall be made to the Company by wire transfer of Federal (same day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance against delivery to the Representatives for the respective accounts of the Underwriters of certificates for the Bonds to be purchased by them. Certificates for the Bonds shall be in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours prior notice to the Company. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Bonds which it has agreed to purchase. UBS Securities

LLC, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Bonds to be purchased by any Underwriter whose check has not been received by the Time of Delivery, but such payment shall not release such Underwriter from its obligations hereunder. The certificates for the Bonds will be made available for examination and packaging by the Representatives not later than 10:00 a.m. (New York City time), on the last New York business day prior to the Time of Delivery in New York, New York.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus, as amended or supplemented, in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the date hereof or, if applicable, such earlier time as may be required by Rule 424(b); to make no further amendment or any supplement to the Registration Statement or Prospectus, as amended or supplemented, after the date hereof and prior to the Time of Delivery which shall be disapproved by the Representatives promptly after reasonable notice thereof; to advise the Representatives promptly of any such amendment or supplement after the Time of Delivery and furnish the Representatives with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of the Bonds, and during such same period to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Bonds, of the suspension of the qualification of the Bonds for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any examination pursuant to Section 8(e) of the Act concerning the Registration Statement, or of the Company becoming the subject of a proceeding under Section 8A of the Act in connection with the offering of the Bonds, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Bonds or suspending any such qualification, to promptly use commercially reasonable efforts to obtain the withdrawal of such order;

(b) To prepare a final term sheet (the "**Final Term Sheet**") reflecting the final terms of the Bonds, in the form of Schedule III hereto (except that the Final Term Sheet may also include information regarding the credit ratings of the Bonds), and file such Final Term Sheet as an "issuer free writing prospectus" pursuant to Rule 433 prior to the close of business two business days after the date hereof; provided that the Company shall furnish the Representatives with copies of any such Final Term Sheet a reasonable amount of time prior to such proposed filing and will not use or file any such document to which the Representatives or counsel to the Underwriters shall reasonably object;

(c) If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance;

(d) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Bonds for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Bonds, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(e) Prior to 10:00 a.m., New York City time, on the New York business day next succeeding the date hereof, or such later time or date as agreed to by the Company and the Representatives, and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City, as amended or supplemented, in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Bonds and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance;

(f) To make generally available to its securityholders as soon as practicable, but in any event not later than fifteen months after the date hereof, an earnings statement of the Company and its consolidated subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the Rules and Regulations (including, at the option of the Company, Rule 158);

(g) During the period beginning from the date hereof and continuing to and including the later of (i) the termination of trading restrictions for the Bonds, as notified to the Company by the Representatives, but only if the Representatives shall have notified the Company in writing at the Time of Delivery that such trading restrictions have not been terminated, and (ii) the Time of Delivery, not to offer, sell, contract to sell or otherwise dispose of any First Mortgage Bonds, without the prior written consent of the Representatives;

(h) Immediately following the execution of this Agreement, the Company will prepare a prospectus supplement, dated the date hereof (the "**Prospectus Supplement**"), containing the terms of the Bonds, the plan of distribution thereof and such other information as may be required by the Act or the Rules and Regulations or as the Representatives and the Company deem appropriate, and will file or transmit for filing with the Commission in accordance with Rule 424(b) of the Rules and Regulations copies of the Prospectus (including such Prospectus Supplement);

(i) To apply the net proceeds from the sale of the Bonds as set forth in the Prospectus;

(j) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing pay to the Commission the filing fee for the Rule 462(b) Registration Statement;

(k) The Company represents and agrees that, unless it obtains the prior consent of the Representatives, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission; provided, however, that the prior written consent of the Representatives and the Company shall be deemed to have been given in respect of the Final Term Sheet and any other Issuer Free Writing Prospectuses included in Schedule II hereto; and provided further, however, that prior to the preparation of the Final Term Sheet in accordance with Section 5(b), the Underwriters are authorized to use the information with respect to the final terms of the Bonds in communications conveying information relating to the offering to investors. Any such free writing prospectus consented to by the Company and the Representatives or otherwise permitted by the immediately preceding sentence is hereinafter referred to as a "**Permitted Free Writing Prospectus**." For purposes of clarity, it is understood and agreed that the term Issuer Free Writing Prospectus, as used in this Agreement, includes all Permitted Free Writing Prospectuses; and

(l) As promptly as practicable after the Time of Delivery, the Company will duly record the Current Supplemental Indenture in all offices of county recorders and clerks of all counties in the State of California and the State of Arizona in which any real property subject to the lien of the Indenture is located and will file an appropriate financing statement in respect of personal property and fixtures in the Office of the Secretary of State of the State of Arizona.

6. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Bonds under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, the Preliminary Prospectus, any Permitted Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Indenture, any Blue Sky and Legal Investment Memoranda, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Bonds; (iii) all expenses in connection with the qualification of the Bonds for offering and sale under state securities laws as provided in Section 5(d) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky and Legal Investment Surveys; (iv) any fees charged by securities rating services for rating the Bonds; (v) any filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, any required review by The Financial Industry Regulatory Authority ("FINRA") of the terms of the sale of the Bonds; (vi) the cost of preparing the Bonds; (vii) the fees and expenses of the Trustee and any agent of the Trustee and the reasonable fees and disbursements of counsel for the Trustee in connection with the Indenture and the Bonds; (viii) any fees and expenses in connection with listing the Bonds and the cost of registering the Bonds under Section 12 of the Exchange Act; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Bonds by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and other statements of the Company in or incorporated by reference in this Agreement are, at and as of the Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus, as amended or supplemented, shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing (without reliance on Rule 424(b)(8) of the Rules and Regulations and in accordance with Section 5(a) hereof); if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction.

(b) Counsel for the Underwriters shall have furnished to the Representatives such written opinion or opinions, dated the Time of Delivery, with respect to the Registration Statement and the Prospectus, as amended or supplemented, as well as such other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(c) W. Davis Smith, Senior Vice President, General Counsel and Assistant Secretary of the Company, shall have furnished to the Representatives a written opinion, dated the Time of Delivery, in form and substance satisfactory to the Representatives, to the effect set forth in Schedule IV hereto.

(d) Latham & Watkins LLP shall have furnished to the Representatives their written opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to the Representatives, to the effect set forth in Schedule V hereto.

(e) On the date hereof at a time prior to the execution of this Agreement, and at the Time of Delivery, Deloitte & Touche LLP shall have furnished to the Representatives a letter, dated the date hereof, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters, and a letter dated the Time of Delivery reaffirming the statements made in their letter dated the date hereof, except that the specified date referred to in such letter delivered on the Time of Delivery shall be a date not more than three days prior to the Time of Delivery, and with respect to such letter dated the Time of Delivery, as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives.

(f) (i) The Company and its subsidiaries, taken as a whole, shall have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus, as amended prior to the date hereof, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus as amended prior to the date hereof, and (ii) since the respective dates as of which information is given in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, shareholders' equity or results of operations of the Company or any of its subsidiaries, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse to the Company and its subsidiaries, taken as a whole, as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus as first amended or supplemented.

(g) At or after the Applicable Time (i) no downgrading shall have occurred in the rating accorded any of the Company's secured debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's secured debt securities.

(h) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York or California State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, if the effect of any such event specified in this clause (iv) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus as first amended or supplemented.

(i) The Company shall have complied with the provisions of Section 5(e) hereof with respect to the furnishing of prospectuses on the New York business day next succeeding the date hereof.

(j) The Company shall have furnished or caused to be furnished to the Representatives at the Time of Delivery a certificate of officers of the Company satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company herein at and as of the Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to the Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as the Representatives may reasonably request.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises

out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Bonds or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use in the Prospectus, as amended or supplemented, it being understood and agreed that the only such information consists of the following: the information in the third paragraph of text under the caption "Underwriting" concerning the terms of the offering by the Underwriters; and the information in the third sentence of the fourth paragraph of text, and the fifth, sixth, seventh and eighth paragraphs of text (solely with respect to the statements attributable to the Underwriters) under the caption "Underwriting," insofar as such information relates to market making, stabilization, penalty bids, overallocation, short positions and purchases to cover short positions by the Underwriters.

(b) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Bonds or any such amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the following: the information in the third paragraph of text under the caption "Underwriting" concerning the terms of the offering by the Underwriters; and the information in the third sentence of the fourth paragraph of text, and the fifth, sixth, seventh, and eighth paragraphs of text (solely with respect to the statements attributable to the Underwriters) under the caption "Underwriting," insofar as such information relates to market making, stabilization, penalty bids, overallocation, short positions and purchases to cover short positions by the Underwriters; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party under such subsection to the extent it is not

materially prejudiced as a result thereof and in any event shall not relieve it from any liability otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnified party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation; provided, however, that the Representatives shall have the right to employ counsel to represent jointly the Underwriters and their respective directors, officers, employees, agents and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Underwriters against the Company under this Section 8, if the Representatives shall have reasonably concluded that there may be one or more legal defenses available to the Underwriters and their respective directors, officers, employees, agents and controlling persons that are different from or additional to those available to the Company and its officers, directors, employees and controlling persons, and the fees and expenses of a single separate counsel (in addition to local counsel) shall be paid by the Company. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds contemplated by this Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand

and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Bonds contemplated by this Agreement (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to the Bonds and not joint.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each director, officer, employee and agent of any Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and employee of the Company and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Bonds which it has agreed to purchase under this Agreement, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Bonds on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Bonds, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties reasonably satisfactory to the Representatives to purchase such Bonds on such terms. In the event that, within the respective prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Bonds, or the Company notifies the Representatives that it has so arranged for the

purchase of such Bonds, the Representatives or the Company shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the Representatives may thereby be made necessary. The term “**Underwriter**” as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement.

(b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of the Bonds which remains unpurchased does not exceed one-eleventh of the aggregate principal amount of the Bonds, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Bonds which such Underwriter agreed to purchase under this Agreement and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Bonds which such Underwriter agreed to purchase under this Agreement) of the Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of Bonds which remains unpurchased exceeds one-eleventh of the aggregate principal amount of the Bonds, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Bonds of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Bonds.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Bonds except as provided in Sections 6 and 8 hereof; but, if for any other reason Bonds are not delivered by or on behalf of

the Company as provided herein, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Bonds, but the Company shall then be under no further liability to any Underwriter with respect to the Bonds except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, the Representatives of the Underwriters shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in this Agreement.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail or facsimile transmission to CastleOak Securities, L.P., 110 East 59th Street, 2nd Floor, New York, New York 10022, Attention: Philip Ippolito, facsimile: (212) 308-7342; Deutsche Bank Securities Inc., 60 Wall Street, New York, New York 10005, Attention: Debt Capital Markets Syndicate, facsimile: (212) 797-2202; RBC Capital Markets, LLC, 200 Vesey Street, New York, New York 10281, Attention: Debt Capital Markets, facsimile: (212) 658-6137; and UBS Securities LLC, 677 Washington Boulevard, Stamford, Connecticut 06901, Attention: Fixed Income Syndicate, facsimile: (203) 719-0495; and if to the Company shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth on the cover page of the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or email or facsimile transmission constituting such Questionnaire, which address will be supplied to the Company by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Bonds from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of the Bonds contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. The Company agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with the transactions contemplated hereby or the process leading thereto. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters

in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

15. Time shall be of the essence of this Agreement. As used herein, “**business day**” shall mean, unless otherwise expressly stated, any day when the Commission’s office in Washington, D.C. is open for business.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

(Signature Page Follows)

If the foregoing is in accordance with your understanding, please sign and return to us one for the Company and for each of the Representatives plus one for each counsel counterparts hereof.

Very truly yours,

San Diego Gas & Electric Company

By: /s/ Robert Schlax

Name: Robert Schlax

Title: V.P., CFO, Controller and Treasurer

Accepted as of the date hereof:

CastleOak Securities, L.P.

By: /s/ Nathaniel H. Christian

Name: Nathaniel H. Christian

Title: Managing Director and General Counsel

Deutsche Bank Securities Inc.

By: /s/ Richard Dalton

Name: Richard Dalton

Title: Director

By: /s/ Ritu Ketkar

Name: Ritu Ketkar

Title: Managing Director

RBC Capital Markets, LLC

By: /s/ Jack Sconzo

Name: Jack Sconzo

Title: Managing Director

By: /s/ Spencer Haimes
Name: Spencer Haimes
Title: Managing Director

By: /s/ Matthew Baldwin
Name: Matthew Baldwin
Title: Associate Director

On behalf of each of the Underwriters

SCHEDULE I

<u>Underwriter</u>	<u>Principal Amount of Bonds to be Purchased</u>
CastleOak Securities, L.P.	\$ 80,500,000
Deutsche Bank Securities Inc.	80,500,000
RBC Capital Markets, LLC	80,500,000
UBS Securities LLC	80,500,000
Guzman & Company	14,000,000
The Williams Capital Group, L.P.	14,000,000
Total	<u>\$350,000,000</u>

Schedule I-1

SCHEDULE II

The Final Term Sheet substantially in the form attached as Schedule III

Schedule II-1

SCHEDULE III

Free Writing Prospectus
Filed Pursuant to Rule 433
Registration Statement No. 333-159046

San Diego Gas & Electric Company

Final Term Sheet
August 15, 2011

Issuer: San Diego Gas & Electric Company

Aggregate Principal Amount Offered: \$350,000,000

Interest Payment Dates: February 15 and August 15, commencing February 15, 2012

Coupon: 3.00%, accruing from August 18, 2011

Maturity: August 15, 2021

Yield to Maturity: 3.06%

Spread to Benchmark Treasury: 78 basis points

Benchmark Treasury: 2.125% due August 15, 2021

Benchmark Treasury Yield: 2.28%

Optional Redemption Provision: Make Whole Call Adjusted Treasury Rate + 15 basis points

Price to Public: 99.487%, plus accrued interest, if any

Trade Date: August 15, 2011

Settlement Date: August 18, 2011 (T+3)

CUSIP: 797440 BN3

ISIN: US797440BN35

Joint Book-Running Managers: CastleOak Securities, L.P.
Deutsche Bank Securities Inc.
RBC Capital Markets, LLC
UBS Securities LLC

Co-Managers: Guzman & Company
The Williams Capital Group, L.P.

Schedule III-1

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling CastleOak Securities, L.P. at 1-800-955-6332 or by email to pji@castleoaklp.com, by calling Deutsche Bank Securities Inc. toll-free at 1-800-503-4611 or by email to prospectus.cpdg@db.com, by calling RBC Capital Markets, LLC toll-free at 1-866-375-6829 or by email to RBCNYFixedIncomeProspectus@rbccm.com, or by calling UBS Securities LLC toll-free at 1-877-827-6444, Ext. 561-3884

Schedule III-2

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

U.S. BANK NATIONAL ASSOCIATION
633 W. FIFTH STREET, 24th FLOOR
LOS ANGELES, CA 90071
ATTN: CORPORATE TRUST SERVICES

**Index as a UCC Filing and an Indenture
This is a Security Agreement and a Mortgage of Chattels
as well as a Mortgage of Real Estate and Other Property**

FIFTY-EIGHTH SUPPLEMENTAL INDENTURE

FROM

SAN DIEGO GAS & ELECTRIC COMPANY

TO

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of August 18, 2011

**THIS FIFTY-EIGHTH SUPPLEMENTAL INDENTURE IS A SECURITY
AGREEMENT AND A MORTGAGE OF CHATTELS AS WELL AS
A MORTGAGE OF REAL ESTATE AND OTHER PROPERTY**

THIS FIFTY-EIGHTH SUPPLEMENTAL INDENTURE, dated as of the eighteenth day of August 2011, by and between SAN DIEGO GAS & ELECTRIC COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of California, having its principal office in that State in the City of San Diego (the "Company"), and U.S. BANK NATIONAL ASSOCIATION, a banking association duly organized under an act known as the "National Bank Act," of the United States of America, having a corporate trust office in the City of Los Angeles, State of California, as Trustee (the "Trustee").

WHEREAS, the Company executed and delivered a Mortgage and Deed of Trust (the "Original Indenture"), dated July 1, 1940, to The Bank of California, National Association, as predecessor trustee to Bankers Trust Company of California, National Association, as predecessor trustee to First Trust of California, National Association, (subsequently renamed U.S. Bank Trust National Association) as predecessor trustee to the Trustee, to secure payment of the principal of and the interest on all bonds of the Company at any time outstanding thereunder according to their tenor and effect, and to provide the terms and provisions with respect to its First Mortgage Bonds, 3³/₈% Series due July 1, 1970, issued in the aggregate principal amount of \$16,000,000 and heretofore retired; and

WHEREAS, the Company executed and delivered to the then current trustee, a First Supplemental Indenture dated as of December 1, 1946, a Second Supplemental Indenture dated as of March 1, 1948, a Third Supplemental Indenture dated as of April 1, 1952, a Fourth Supplemental Indenture dated as of April 1, 1954, a Fifth Supplemental Indenture dated as of October 1, 1955, a Sixth Supplemental Indenture dated as of October 1, 1957, a Seventh Supplemental Indenture dated as of October 1, 1960, an Eighth Supplemental Indenture dated as of March 1, 1967, a Tenth Supplemental Indenture dated as of December 1, 1968, an Eleventh Supplemental Indenture dated as of February 1, 1970, a Twelfth Supplemental Indenture dated as of September 1, 1971, a Thirteenth Supplemental Indenture dated as of January 15, 1974, a Fourteenth Supplemental Indenture dated as of December 15, 1974, a Fifteenth Supplemental Indenture dated as of May 1, 1975, a Seventeenth Supplemental Indenture dated as of July 15, 1976, an Eighteenth Supplemental Indenture dated as of March 15, 1977, a Nineteenth Supplemental Indenture dated as of May 1, 1978, a Twentieth Supplemental Indenture dated as of March 15, 1980, a Twenty-First Supplemental Indenture dated as of August 1, 1980, a Twenty-Second Supplemental Indenture dated as of July 15, 1981, a Twenty-Third Supplemental Indenture dated as of January 15, 1982, a Twenty-Fourth Supplemental Indenture dated as of August 16, 1982, a Twenty-Fifth Supplemental Indenture dated as of August 16, 1982, a Twenty-Sixth Supplemental Indenture dated as of August 16, 1982, a Twenty-Seventh Supplemental Indenture dated as of June 2, 1983, a Twenty-Eighth Supplemental Indenture dated as of July 15, 1983, a Twenty-Ninth Supplemental Indenture dated as of September 1, 1983, a Thirty-First, Supplemental Indenture dated as of May 1, 1984, a Thirty-Second Supplemental Indenture dated as of December 1, 1984, a Thirty-Third Supplemental Indenture dated as of September 1, 1985, a Thirty-Fourth Supplemental Indenture dated as of December 1, 1985, a Thirty-Fifth Supplemental Indenture dated as of July 1, 1986, a Thirty-Sixth Supplemental Indenture dated as of December 1, 1986, a Thirty-Seventh Supplemental Indenture dated as of September 1, 1987, a Thirty-Eighth Supplemental Indenture dated as of April 15, 1990, a Thirty-Ninth Supplemental Indenture dated as of December 1, 1991, a Fortieth Supplemental Indenture dated as of April 1, 1992, a Forty-First Supplemental Indenture dated as of June 15, 1992, a Forty-Second Supplemental Indenture dated as of September 1, 1992, a Forty-Third Supplemental Indenture dated as of December 1, 1992, a Forty-Fourth Supplemental Indenture dated as of April 1, 1993, a Forty-Fifth Supplemental Indenture dated as of June 1, 1993, a Forty-Sixth Supplemental Indenture dated as of July 1, 1993, a Forty-Seventh Supplemental Indenture dated as of June 1, 1995, a Forty-Eighth Supplemental Indenture dated as of June 1, 1995, a Forty-Ninth Supplemental Indenture dated as of June 1, 2004, a Fiftieth Supplemental Indenture dated as of May 19, 2005, a Fifty-First Supplemental Indenture dated as of November 17, 2005, a Fifty-Second Supplemental Indenture dated as of June 8, 2006, a Fifty-Third Supplemental Indenture dated as of September 1, 2006, a Fifty-Fourth Supplemental Indenture dated as of September 20, 2007, a Fifty-Fifth Supplemental Indenture dated as of May 14, 2009, a Fifty-Sixth Supplemental Indenture dated as of May 13, 2010 and a Fifty-Seventh Supplemental Indenture dated as of August 26, 2010, whereby, among other things, the Company set forth certain of the particulars of the Bonds of series designated "First Mortgage Bonds, 2³/₄% Series due December 1, 1981" issued in the aggregate principal amount of \$2,800,000, "First Mortgage Bonds, Series C

due 1978” issued in the aggregate principal amount of \$10,000,000, “First Mortgage Bonds, Series D due 1982” issued in the aggregate principal amount of \$512,000,000, “First Mortgage Bonds, Series E due 1984” issued in the aggregate principal amount of \$17,000,000, “First Mortgage Bonds, Series F due 1985” issued in the aggregate principal amount of \$18,000,000, “First Mortgage Bonds, Series G due 1987” issued is the aggregate principal amount of \$12,000,000, “First Mortgage Bonds, Series H due 1990” issued in the aggregate principal amount of \$30,000,000, “First Mortgage Bonds, Series I due 1997” issued in the aggregate principal amount of \$25,000,000, “First Mortgage Bonds, Series J due 1998” issued in the aggregate principal amount of \$35,000,000, “First Mortgage Bonds, Series K due 2000” issued in the aggregate principal amount of \$40,000,000, “First Mortgage Boards, Series L due 2001” issued in the aggregate principal amount of \$45,000,000, “First Mortgage Bonds, Series M due 2004” issued in the aggregate principal amount of \$75,000,000, “First Mortgage Bonds, Series N due 1979” issued in the aggregate principal amount of \$50,000,000, “First Mortgage Bonds, Series O due 1982” issued in the aggregate principal amount of \$40,000,000, “First Mortgage Bonds, Series P due 2006” issued in the aggregate principal amount of \$45,000,000, “First Mortgage Bonds, Series Q due 2007” issued in the aggregate principal amount of \$50,000,000, “First Mortgage Bonds, Series R due 2008” issued in the aggregate principal amount of \$50,000,000, “First Mortgage Bonds, Series S due 2010” issued in the aggregate principal amount of \$50,000,000, “First Mortgage Bonds, Series T due 2010” issued in the aggregate principal amount of \$75,000,000, “First Mortgage Bonds, Series U-1 due 1984, and U-2 due 1994” issued in the aggregate principal amount of \$6,567,000 for Series U-1 and \$13,268,000 for Series U-2, “First Mortgage Bonds, Series V due 2011” issued in the aggregate amount of \$50,000,000, “First Mortgage Bonds, Series W due 1988” issued in the aggregate principal amount of \$40,000,000, “First Mortgage Bonds, Series X due 1987” issued in the aggregate principal amount of \$20,000,000, “First Mortgage Bonds, Series Y due 1987” issued in the aggregate principal amount of \$15,000,000, “First Mortgage Bonds, Series Z, due 2013” issued in the aggregate principal amount of \$65,000,000, “First Mortgage Bonds, Series AA, due 2018” issued in the aggregate principal amount of \$150,000,000, “First Mortgage Bonds, Series BB, due 2018” issued in the aggregate principal amount of \$150,000,000, “First Mortgage Bonds, Series CC, due 2008” issued in the aggregate principal amount of \$53,000,000, “First Mortgage Bonds Series DD, due 2008” issued in the aggregate principal amount of \$27,000,000, “First Mortgage Bonds, Series EE, due 2015” issued in the aggregate principal amount of \$100,000,000, “First Mortgage Bonds, Series FF, due 2007” issued in the aggregate principal amount of \$35,000,000, “First Mortgage Bonds, Series GG, due 2021” issued in the aggregate principal amount of \$44,250,000, “First Mortgage Bonds, Series HH, due 2021” issued in the aggregate principal amount of \$381,350,000, “First Mortgage Bonds, Series II due 2023” issued in the aggregate principal amount of \$25,000,000, “First Mortgage Bonds, Series JJ, due 2015” issued in aggregate principal amount of \$100,000,000, “First Mortgage Bonds, Series KK, due 2015” issued in the aggregate principal amount of \$14,400,000, “First Mortgage Bonds, Series LL, due 2022” issued in the aggregate principal amount of \$60,000,000, “First Mortgage Bonds, Series MM due 2002” issued in the aggregate principal amount of \$80,000,000, “First Mortgage Bonds, Series NN” issued in the aggregate principal amount of \$118,615,000, “First Mortgage Bonds, Series OO” issued in the aggregate principal amount of \$250,000,000, “First Mortgage Bonds, Series PP, due 2018” issued in the aggregate principal amount of \$70,795,000, “First Mortgage Bonds, Series QQ, due 2018” issued in the aggregate principal amount of \$14,915,000, “First Mortgage Bonds, Series RR, due 2021” issued in the aggregate principal amount of \$60,000,000, “First Mortgage Bonds, Series SS, due 2018” issued in the aggregate principal amount of \$92,945,000, “First Mortgage Bonds, Series TT due 2020” issued in the aggregate principal amount of \$57,650,000, “First Mortgage Bonds, Series UU due 2020” issued in the aggregate principal amount of \$16,700,000, “First Mortgage Bonds, Series VV due 2034” issued in the aggregate principal amount of \$43,615,000, “First Mortgage Bonds, Series WW due 2034” issued in the aggregate principal amount of \$40,000,000, “First Mortgage Bonds, Series XX due 2034” issued in the aggregate principal amount of \$35,000,000, “First Mortgage Bonds, Series YY due 2034” issued in the aggregate principal amount of \$24,000,000, “First Mortgage Bonds, Series ZZ due 2034” issued in the aggregate principal amount of \$33,650,000, “First Mortgage Bonds, Series AAA due 2039” issued in the aggregate principal amount of \$75,000,000, “First Mortgage Bonds, Series BBB due 2035” issued in the aggregate principal amount of \$250,000,000, “First Mortgage Bonds, Series CCC due 2015” issued in the aggregate principal amount of \$250,000,000, “First Mortgage Bonds, Series DDD due 2026” issued in the aggregate principal amount of \$250,000,000, “First Mortgage Bonds, Series EEE due 2018” issued in the aggregate principal amount of \$161,240,000, “First Mortgage Bonds, Series FFF due 2037” issued in the aggregate principal amount of \$250,000,000, “First Mortgage Bonds, Series GGG due 2039” issued in the aggregate principal amount of \$300,000,000, “First Mortgage Bonds, Series HHH due 2040” issued in the aggregate principal amount of \$250,000,000 and “First Mortgage Bonds, Series III due 2040” issued in the aggregate principal amount of \$500,000,000, respectively, all of which First Mortgage Bonds have heretofore been retired or redeemed, except the Series KK due 2015, the Series OO, the Series RR due 2021, the Series VV due 2034, the Series WW due 2034, the

Series XX due 2034, the Series YY due 2034, the Series ZZ due 2034, the Series AAA due 2039, the Series BBB due 2035, the Series CCC due 2015, the Series DDD due 2026, the Series EEE due 2018, the Series FFF due 2037, the Series GGG due 2039, the Series HHH due 2040 and the Series III due 2040, which are presently issued and outstanding; and

WHEREAS, certain of the provisions of the Original Indenture have been amended by the aforesaid Second and Tenth Supplemental Indentures, a Ninth Supplemental Indenture dated as of August 1, 1968, a Sixteenth Supplemental Indenture dated August 28, 1975, and a Thirtieth Supplemental Indenture dated September 23, 1983; and

WHEREAS, the Original Indenture and each of said Supplemental Indentures have been recorded in the Official Records of the Recorders of the Counties of San Diego, Orange, Riverside, and Imperial in the State of California and the Counties, Yuma and Maricopa in the State of Arizona, as follows:

Document	Official Records	Counties of			
		San Diego	Orange	Riverside	Imperial
Original Indenture	Book	1087	1062	1765	1369
	Page	1	300	364	232
	Date	Oct. 10, 1940	Oct. 10, 1940	July 13, 1955	Nov. 22, 1974
First Supplemental Indenture	Book	2321	1506	1765	1369
	Page	48	472	499	332
	Date	Jan. 2, 1947	Jan. 9, 1947	July 13, 1955	Nov. 22, 1974
Second Supplemental Indenture	Book	2537	1616	1765	1369
	Page	363	190	448	343
	Date	Mar. 16, 1948	Mar. 15, 1948	July 13, 1955	Nov. 22, 1974
Third Supplemental Indenture	Book	4424	2311	1765	1369
	Page	535	116	475	370
	Date	Apr. 3, 1952	Apr. 3, 1952	July 13, 1955	Nov. 22, 1974
Fourth Supplemental Indenture	Book	5193	2701	1765	1369
	Page	217	153	336	409
	Date	Apr. 2, 1954	Apr. 2, 1954	July 13, 1955	Nov. 22, 1974
Fifth Supplemental Indenture	Book	5893	3304	1829	2369
	Page	291	205	3	456
	Date	Dec. 5, 1955	Dec. 5, 1955	Dec. 5, 1955	Nov. 22, 1974
Sixth Supplemental Indenture	Book	6829	4099	2175	1369
	Page	390	109	538	492
	Date	Nov. 12, 1957	Nov. 12, 1957	Nov. 12, 1957	Nov. 22, 1974
Seventh Supplemental Indenture	Book	1960 Series 1	5455	2780	1369
	Page	File No. 202061	385	3	541
	Date	Oct. 10, 1960	Oct. 10, 1960	Oct. 10, 1960	Nov. 22, 1974
Eighth Supplemental Indenture	Book	1967 Series 8	8197	Endorsement	1369
	Page	File No. 33860	129	No. 20925	618
	Date	Mar. 13, 1967	Mar. 13, 1967	Mar. 13, 1967	Nov. 22, 1974
Ninth Supplemental Indenture	Book	1968 Series 9	8691		1369
	Page		69		694
	Doc. No.	138926	9816	78781	
	Date	Aug. 14, 1968	Aug. 14, 1968	Aug. 14, 1968	Nov. 22, 1974

Tenth Supplemental Indenture	Book Page Doc. No. Date	1968 Series 9 215131 Dec. 9, 1968	8810 375 Dec. 9, 1968	Endorsement No. 119982 Dec. 9, 1968	1369 706 Nov. 22, 1974
Eleventh Supplemental Indenture	Book Page Doc. No. Date	1970 27782 Feb. 16, 1970	9217 516 Feb. 16, 1970	Endorsement No. 14780 Feb. 16, 1970	1369 725 Nov. 22, 1974
Twelfth Supplemental Indenture	Book Page Date	File/Page No. 212688 Sept. 20, 1971	9810 539 Sept. 20, 1971	Endorsement No. 106508 Sept. 20, 1971	1369 744 Nov. 22, 1974
Thirteenth Supplemental Indenture	Book Page Date	File/Page No. 74-006878 Jan. 10, 1974	11055 1 Jan. 10, 1974	Endorsement No. 3853 Jan. 10, 1974	1369 763 Nov. 22, 1974
Fourteenth Supplemental Indenture	Book Page Date	File/Page No. 74-322156 Dec. 11, 1974	11303 458 Dec. 11, 1974	Endorsement No. 157219 Dec. 11, 1974	1369 1689 Dec. 11, 1974
Fifteenth Supplemental Indenture	Book Page Date	File/Page No. 755-108612 May 7, 1975	11395 1879 May 7, 1975	Instrument No. 52617 May 7, 1975	1374 809 May 7, 1975
Sixteenth Supplemental Indenture	Book Page Date	File/Page No. 75-235624 Sept. 2, 1975	11500 1620 Sept. 2, 1975	Instrument No. 107732 Sept. 3, 1975	1378 952 Sept. 2, 1975
Seventeenth Supplemental Indenture	Book Page Date	File/Page No. 76-224493 July 16, 1976	11815 640 July 16, 1976	Instrument No. 103484 July 16, 1976	1389 687 July 16, 1976
Eighteenth Supplemental Indenture	Book Page Date	File/Page No. 77-100483 Mar. 18, 1977	12110 58 Mar. 18, 1977	Instrument No. 45619 Mar. 18, 1977	1398 1675 Mar. 18, 1977
Nineteenth Supplemental Indenture	Book Page Date	File/Page No. 78-194210 May 12, 1978	12672 1803-1822 May 12, 1978	Instrument No. 94450 May 12, 1978	1415 1638 May 12, 1978
Twentieth Supplemental Indenture	Book Page Date	File/Page No. 80-082569 Mar. 11, 1980	13530 722 Mar. 11, 1980	Instrument No. 47195 Mar. 11, 1980	1448 1221 Mar. 11, 1980
Twenty-First Supplemental Indenture	Book Page Date	File/Page No. 80-245100 Aug. 1, 1980	13687 349 Aug. 1, 1980	Instrument No. 139349 Aug. 1, 1980	1455 1660 Aug. 1, 1980
Twenty-Second Supplemental Indenture	Book Page Date	File/Page No. 81-22576 July 17, 1981	Instrument No. 24605 July 17, 1981	Instrument No. 135815 July 17, 1981	1472 508 July 17, 1981
Twenty-Third Supplemental Indenture	Book Page Date	File/Page No. 82-02387 Jan. 27, 1982	Instrument No. 82-031423 Jan. 27, 1982	Instrument No. 16093 Jan. 27, 1982	1479 1714 Jan. 27, 1982
Twenty-Fourth Supplemental Indenture	Book Page Date	File/Page No. 82-257258 Aug. 19, 1982	File/Page No. 82-291894 Aug. 19, 1982	File/Page No. 82/143370212 Aug. 19, 1982	1489 Aug. 19, 1982
Twenty-Fifth Supplemental Indenture	Book Page Date	File/Page No. 82-257259 Aug. 19, 1982	File/Page No. 82-291895 Aug. 19, 1982	File/Page No. 82-143371 Aug. 19, 1982	1489 236 Aug. 19, 1982

Twenty-Sixth Supplemental Indenture	Book Page Date	File/Page No. 82-257260 Aug. 19, 1982	File/Page No. 82-291896 Aug. 19, 1982	File/Page No. 82/143372260 Aug. 19, 1982	1489 Aug. 19, 1982
Twenty-Seventh Supplemental Indenture	Book Page Date	File/Page No. 83-200545 June 15, 1983	File/Page No. 83-253901 June 15, 1983	File/Page No. 118670 June 15, 1983	1503 743 June 15, 1983
Twenty-Eighth Supplemental Indenture	Book Page Date	File/Page No. 83-252396 July 22, 1983	File/Page No. 83-316224 July 22, 1983	File/Page No. 147671 July 22, 1983	1505 583 July 22, 1983
Twenty-Ninth Supplemental Indenture	Book Page Date	File/Page No. 83-339007 Sept. 22, 1983	File/Page No. 83-417956 Sept. 22, 1983	File/Page 194083 Sept. 22, 1983	1508 1425 Sept. 22, 1983

	Official Records	Counties of	
		Yuma	Maricopa
Thirtieth Supplemental Indenture	Book	Docket 1352	File No.
Consisting of Original and	Page	272-1002	83-399354
Twenty-Nine Supplemental Indentures thereto	Book Page Date	Docket 1353 1-264 Sept. 28, 1983	Oct. 3, 1983

Document	Official Records	Counties of					
		San Diego	Orange	Riverside	Imperial	Yuma	Maricopa
Thirty-First Supplemental Indenture	Book Page Date	File/Page 84-161897 5/2/84	File/Page 84-180870 5/2/84	File/Page 92011 5/2/84	1520 1552 4/30/84	Docket 1382 743-761 4/30/84	File No. 84-186813 5/2/84
Thirty-Second Supplemental Indenture	Book Page Date	File/Page 84-466428 12/14/84	File/Page 84 -517843 12/14/84	File/Page 267452 12/14/84	1533 753 12/14/84	Docket 1413 216-235 12/14/84	File No. 84-537706 12/14/84
Thirty-Third Supplemental Indenture	Book Page Date	File/Page 85-323210 9/4/85	File/Page 85-333505 9/4/85	File/Page 198810 9/4/85	1546 708 9/4/85	Docket 1450 816 9/4/85	File No. 85-418309 9/4/85
Thirty-Fourth Supplemental Indenture	Book Page Date	File/Page 85-42465 12/2/85	File/Page 85-481794 12/2/85	File/Page 270136 12/2/85	1550 1573 12/3/85	Docket 1463 215 12/3/85	File No. 85-568874 12/2/85
Thirty-Fifth Supplemental Indenture	Book Page Date	File/Page 86-279922 7/8/86	File/Page 86-290957 7/8/86	File/Page 158161 7/8/86	1562 549 7/8/86	Docket 1491 639-657 7/8/86	File No. 86-347412 7/8/86
Thirty-Sixth Supplemental Indenture	Book Page Date	File/Page 86-576027 12/10/86	File/Page 86-606666 12/10/86	File/Page 314771 12/10/86	1571 240 12/10/86	Docket 1512 5-24 12/10/86	File/Page 86-680502 12/10/86
Thirty-Seventh Supplemental Indenture	Book Page Date	File/Page 87-532270 9/21/87	File/Page 87-530266 9/21/87	File/Page 273181 9/21/87	1588 844 9/21/87	Docket 1555 844 9/21/87	File/Page 87-585903 9/21/87

Thirty-Eighth Supplemental Indenture	Book Page Date	File/Page 90-217585 4/23/90	File/Page 90-212277 4/23/90	File/Page 146794 4/23/90	1646 1280 4/23/90	Docket 1686 92-120 4/23/90	File/Page 88-176460 4/23/90
Thirty-Ninth Supplemental Indenture	Book Page Date	File/Page 91-632073 12/09/91	File/Page 91-674397 12/09/91	File/Page 425578 12/09/91	1687 743 12/09/91	Docket 1771 711-728 12/09/91	File/Page 91-0574751 12/09/91
Fortieth Supplemental Indenture	Book Page Date	File/Page 92-185636 4/1/92	File/Page 92-202372 4/1/92	File/Page 115201 4/1/92	Book/Page 92-06577 4/1/92	Docket 1790 954-970 4/1/92	File/Page 92-0169646 4/1/92
Forty-First Supplemental Indenture	Book Page Date	File/Page 92-0363471 6/11/92	File/Page 92-393790 6/11/92	File/Page 214904 6/11/92	Book/Page 92-011833 6/11/92	Docket 1804 73-88 6/11/92	File/Page 92-0317072 6/11/92
Forty-Second Supplemental Indenture	Book Page Date	File/Page 92-0650893 10/13/92	File/Page 92-692066 10/13/92	File/Page 384167 10/13/92	Book/Page 92-21988 10/13/92	Docket 1824 670-689 10/13/92	File/Page 92-0575062 10/13/92
Forty-Third Supplemental Indenture	Book Page Date	File/Page 92-0788665 12/9/92	File/Page 92-845626 12/10/92	File/Page 471625 12/10/92	Book/Page 92-27082 12/9/92	Docket 1834 187-206 12/9/92	File/Page 92-0700568 12/9/92
Forty-Fourth Supplemental Indenture	Book Page Date	File/Page 93-0257065 4/27/93	File/Page 93-0277892 4/27/93	File/Page 153382 4/27/93	Book/Page 93-009487 4/27/93	Docket 1859 Fee 09300 4/27/93	File/Page 93-0246725 4/26/93
Forty-Fifth Supplemental Indenture	Book Page Date	File/Page 93-0395609 6/23/93	File/Page 93-0420127 6/23/93	File/Page 239922 6/23/93	Book/Page 93-14224 6/23/93	Docket Fee 14413 6/23/93	File/Page 93-0403060 6/23/93
Forty-Sixth Supplemental Indenture	Book Page Date	File/Page 93-0474705 7/26/93	File/Page 93-0496100 7/26/93	File/Page 288868 7/27/93	Book/Page 93-17399 7/27/93	Docket Fee 17163 7/27/93	File/Page 93-0487598 7/27/93
Forty-Seventh Supplemental Indenture	Book Page Date	File/Page 95-0230457 6/01/95	File/Page 95-0232951 6/01/95	File/Page 175604 6/01/95	Book/Page 95-11739 6/01/95	Docket 246-264 6/01/95	File/Page 95-0313576 6/01/95
Forty-Eighth Supplemental Indenture	Book Page Date	File/Page 95-0230458 6/01/95	File/Page 95-0232952 6/01/95	File/Page 175605 6/01/95	Book/Page 95-11740 6/01/95	Docket 265-284 6/01/95	File/Page 95-0343577 6/01/95
Forty-Ninth Supplemental Indenture	Book Page Date	File/Page 05-00384477 1/14/05	File/Page 04-683110 7/28/04	File/Page 04-0766976 9/28/04	Book/Page 04-021901 7/15/04	Docket 04-29663 8/16/04	File/Page 04-941699 8/13/04
Fiftieth Supplemental Indenture	Book Page Date	File/Page 20050441722 5/25/05	File/Page 2005000405730 5/26/05	File/Page 20050145832 5/25/05	Book/Page 019964 5/25/05	Docket 200522373 5/25/05	File/Page 20050711918 5/27/05
Fifty-First Supplemental Indenture	Book Page Date	File/Page 20051016267 11/23/05	File/Page 2005000945695 11/28/05	File/Page 20050981667 11/29/05	Book/Page 2006005449 1/30/06	Docket 200553032 12/2/05	File/Page 20051852692 12/7/05
Fifty-Second Supplemental Indenture	Book Page Date	File/Page 2006-0413693 6/12/06	File/Page 2006000404447 6/16/06	File/Page 2006-0422620 6/12/06	Book/Page 2006-032418 7/11/06	Docket 2006-23999 6/12/06	File/Page 2006-0802735 6/14/06

Fifty-Third Supplemental Indenture	Book Page Date	File/Page 2006-0683713 9/26/06	File/Page 2006000643109 9/27/06	File/Page 713252 9/27/06	Book/Page 06-46145 9/28/06	Docket 2006-39635 9/29/06	File/Page 20061310143 10/3/06
Fifty-Fourth Supplemental Indenture	Book Page Date	File/Page 2007-0625504 9/25/07	File/Page 2007000581227 9/25/07	File/Page 2007-0600369 9/25/07	Book/Page 2007-036497 9/25/07	Docket 2007-33238 9/25/07	File/Page 2007-1062404 9/26/07
Fifty-Fifth Supplemental Indenture	Book Page Date	File/Page 2009-0320954 6/12/09	File/Page 2009000305886 6/12/09	File/Page 2009-0311041 6/18/09	Book/Page 2009-017587 6/12/09	Docket 16744 6/15/09	File/Page 20090542104 6/15/09
Fifty-Sixth Supplemental Indenture	Book Page Date	File/Page 2010-0252569 5/20/10	File/Page 2010000239342 5/21/10	File/Page 2010-0235807 5/21/10	Book/Page 2010-012850 5/21/10	Docket 2010-12687 5/21/10	File/Page 20100431348 5/21/10
Fifty-Seventh Supplemental Indenture	Book Page Date	File/Page 2010-0490784 9/16/10	File/Page 2010000458947 9/16/10	File/Page 2010-0443991 9/16/10	Book/Page 2010-023359 9/16/10	Docket 2010-22669 9/16/10	File/Page 20100800415 9/16/10

WHEREAS, the Board of Directors of the Company has duly authorized the creation of an additional series of bonds to be designated "First Mortgage Bonds, Series JJJ, due 2021," as hereinafter set forth in this Fifty-Eighth Supplemental Indenture; and

WHEREAS, the execution and delivery of this Fifty-Eighth Supplemental Indenture has been duly authorized by resolution of the Board of Directors of the Company; and

WHEREAS, all the conditions and requirements necessary to make this Fifty-Eighth Supplemental Indenture a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed have been performed and fulfilled and the execution and delivery hereof have been in all respects duly authorized.

NOW, THEREFORE, in order further to secure the payment of the principal of and premium, if any, and interest on all of the bonds of the Company at any time outstanding under the Original Indenture, as from time to time amended and supplemented (the "Indenture") and to secure the performance and observance of each and every of the covenants and agreements of the Indenture, as from time to time amended and supplemented, and for and in consideration of the premises, and of the sum of One Dollar (\$1.00) to the Company duly paid by the Trustee (the receipt whereof is hereby acknowledged), the Company has executed and delivered this Fifty-Eighth Supplemental Indenture and has granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated, granted a security interest in, set over and confirmed, and by these presents does grant, bargain, sell, warrant, release, convey, assign, transfer, mortgage, pledge, hypothecate, grant a security interest in, set over and confirm unto U.S. Bank National Association, as Trustee, and to its respective successors in said trust forever, with power of sale, all property, real, personal and mixed, now owned or hereafter acquired or to be acquired by the Company, and wheresoever situated (except such property as is expressly excepted or excluded from the lien and security interest of the Indenture, and property of a successor corporation or corporations excluded from the lien and security interest thereof by the provisions of Section 3 of Article XIV thereof) subject to the rights reserved by the Company in and by other provisions of the Indenture, including in the property subject and to be subject to the lien and security interest thereof and hereof (without in any manner limiting or impairing by the enumeration of the same scope and intent of the foregoing or of any general description contained in the Original Indenture or in this or any other supplemental indenture) all lands, rights-of-way, other land rights, flowage and other water rights, power houses, dams, reservoirs, docks, roads, and buildings, structures and other land improvements; steam, and other electric generating plants, including buildings and other structures, turbines, generators, exciters, boilers and other boiler plant equipment, condensing equipment, and all auxiliary equipment; stations and substations; electric transmission and distribution systems, including structures, poles, towers, fixtures, conduits, insulators, wires, cables, transformers, services and meters; steam heating plants and systems, including mains and equipment, gas plants, transmission and distribution systems, including pipe lines, structures, tanks, mains, compressor stations, purifier stations, pressure holders, governors, services and meters; communication systems, office, shop and other buildings and structures, and equipment; apparatus and equipment and materials and supplies of all other kinds and descriptions; and all municipal and other franchises, leaseholds, licenses, permits, and privileges;

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof with the reversion and reversions, remainder and remainders, tolls, rents and revenues, issues, income, proceeds, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and every part and parcel thereof (except such property as is expressly excepted or excluded from the lien and security interest of the Indenture, and property of a successor corporation or corporations excluded from the lien and security thereof by the provisions of Section 3 of Article XIV thereof), subject to the rights reserved by the Company in and by other provisions of the Indenture;

It is hereby agreed by the Company that, except as aforesaid, all the property, rights, and franchises acquired by the Company after the date hereof shall be as fully embraced within the lien and security interest hereof as if such property were now owned by the Company and were specifically described herein and conveyed and a security interest therein granted hereby;

SAVING AND EXCEPTING, HOWEVER, anything to the contrary notwithstanding contained herein or in the granting clauses of the Original Indenture and said Supplemental Indentures (a) such property described or referred to in any of such granting clauses as has been from time to time, released or sold free from the lien and security interest of the Original Indenture (or the Original Indenture, as supplemented) in accordance and compliance with the provisions thereof (or of the Original Indenture, as supplemented, as the case may be), and (b) all of the following property (whether now owned by the Company or hereafter acquired by it): (1) all gas, electric energy and steam produced, purchased or otherwise acquired; (2) all contracts, choses in action, shares of stock, bonds, notes, evidences of indebtedness, and other securities, other than any of the foregoing which may be required to be deposited from time to time with the Trustee in accordance with the provisions of the Indenture or are required by some express provision thereof to be deposited with the Trustee; (3) merchandise and appliances at any time acquired for the purpose of sale or lease to customers and others and contracts for the sale of merchandise and appliances; (4) motor vehicles; (5) timber on land owned by the Company; (6) minerals or mineral rights in lands owned by the Company; (7) oil, coal or gas, or oil, coal or gas rights in land owned by the Company or gas wells or oil wells or equipment therefor or coal mines or equipment therefor; (8) fuel and other personal property which are consumable in their use in the operation of the properties of the Company; (9) bills and accounts receivable; (10) cash on hand and in banks other than such cash as may be deposited from time to time with the Trustee in accordance with the provisions of the Indenture or as is required by some express provision thereof to be deposited with the Trustee; and (11) the last day of the term of each leasehold estate now or hereafter enjoyed by the Company. The Company may, however, expressly subject to the lien and security interest and operation of the Original Indenture and all indentures supplemental thereto all or any part of the property of the character described in clause (b) of this paragraph;

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged, or conveyed and in which a security interest has been granted by the Company as aforesaid, or intended so to be, unto the Trustee and its successors and assigns forever, subject, however, to Permitted Liens as defined in the Indenture;

IN TRUST NEVERTHELESS, for the equal pro rata benefit and security as provided in the Original Indenture and all indentures supplemental thereto of all and every of the bonds issued and to be issued in accordance with the provisions of the Original Indenture and all indentures supplemental thereto, without preference, priority or distinction as to lien or security interest of any over the others by reason of priority in time of the issue, negotiation or maturity thereof, subject, however, to the provisions of the Original Indenture and all indentures supplemental thereto relating to any sinking fund or similar fund for the benefit of the bonds of any particular series;

The Company does further covenant and agree with the Trustee as follows:

ARTICLE I SERIES JJJ BONDS

Section 1: There is hereby created, for issuance under the Original Indenture as supplemented by the said Supplemental Indentures (including this Fifty-Eighth Supplemental Indenture), a series of bonds designated Series

JJJ, due 2021, each of which shall bear the descriptive title “First Mortgage Bonds, Series JJJ, due 2021” (herein sometimes referred to as “Series JJJ Bonds”), and the form thereof shall contain suitable provisions with respect to the matters hereinafter in this Section specified. The Series JJJ Bonds shall mature on August 15, 2021 and shall be issued in denominations of \$1,000 and integral multiples thereof as the Company may from time to time execute and deliver. The Series JJJ Bonds shall bear interest at the rate and from the date, shall be expressed to mature as to principal, and shall be payable as to principal and premium, if any, and interest at such place or places and in such money, all as provided in the form of Series JJJ Bond set forth on Exhibit A hereto (the “Form of Bond”) and by the applicable provisions of the Indenture. In addition, August 18, 2011 shall be an Interest Payment Date for the Series JJJ Bonds for purposes of Section 9 of Article II of the Indenture, *provided* that no interest shall be payable on such date. The principal and premium, if any, and interest on the Series JJJ Bonds shall be payable at the corporate trust office of the Trustee in the City and County of San Francisco, State of California. The Series JJJ Bonds shall be dated as in Section 9 of Article II of the Indenture provided with respect to registered bonds without coupons.

The Series JJJ Bonds shall further be redeemable, exchangeable, transferable and otherwise have the terms set forth in the Form of Bond.

The Series JJJ Bonds shall otherwise be of such terms, provisions, tenor and form as provided in this Fifty-Eighth Supplemental Indenture.

Section 2: The Series JJJ Bonds shall be executed, authenticated and delivered in accordance with the provisions and shall be entitled to the protection and security of the Original Indenture, as supplemented by this Fifty-Eighth Supplemental Indenture and the other supplemental indentures, and shall be subject to all of the terms, conditions and covenants and limitations thereof. The aggregate principal amount of the Series JJJ Bonds, which may be executed by the Company and authenticated and delivered by the Trustee and secured by the Indenture as from time to time in effect, is limited only to the extent provided in Section 1 of Article II of the Original Indenture.

Section 3: The Series JJJ Bonds shall be issued only as fully registered bonds without coupons. The fully registered bonds without coupons and the certificate of authentication to be endorsed on all Series JJJ Bonds shall be substantially in the form set forth on the Form of Bond. In addition, the Series JJJ Bonds may be issuable in whole or in part in the form of one or more securities that evidence all or part of the bonds of such series which is issued to a depository or a nominee thereof for such series (a “Global Security”) and, in such case, the Board of Directors of the Company (or an authorized officer designated by the Board of Directors of the Company) shall appoint a clearing agency registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), designated to act as depository (a “depository”) for such Global Securities. The definitive Series JJJ Bonds shall be numbered in such manner as the Company shall at any time or from time to time determine.

Section 4: In the event the Series JJJ Bonds are issued as a Global Security the following provisions, in addition to the provisions of the Indenture, shall apply:

(1) Each Global Security authenticated under the Indenture shall be registered in the name of the depository designated for such Global Security or a nominee thereof and delivered to such depository or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single bond for all purposes of this Supplemental Indenture.

(2) Notwithstanding any other provision in this Supplemental Indenture, no Global Security may be exchanged in whole or in part for Series JJJ Bonds registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the depository for such Global Security or a nominee thereof unless (A) such depository has notified the Company that it is unwilling or unable to continue as depository for the Global Securities and a successor depository has not been appointed by the Company within 90 days of receipt by the Company of such notification, (B) if at any time the depository ceases to be a clearing agency registered under the Exchange Act at a time when the depository is required to be so registered to act as such depository and no successor depository shall have been appointed by the Company within 90 days after it became aware of such cessation, (C) the Company, in its sole discretion, executes and delivers to the Trustee a written order signed in the name of the Company by its Chairman of the Board, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary to the effect that such Global Securities shall be exchangeable as described below, or (D) a “completed default” (as defined in the Indenture) has occurred and is continuing with respect to the Series JJJ Bonds. If any of the events described in clauses (A) through (D) of

the preceding sentence occur, the beneficial owners of interests in the Global Securities will be entitled to exchange those interests for definitive Series JJJ Bonds and, without unnecessary delay but in any event not later than the earliest date on which those interests may be so exchanged, the Company will prepare and deliver to the Trustee definitive Series JJJ Bonds in such form and denominations as are required by or pursuant to this Indenture, and in an aggregate principal amount equal to the principal amount of such Global Securities, such bonds to be duly executed by the Company. On or after the earliest date on which such beneficial interests may be so exchanged, such Global Securities shall be surrendered from time to time by the depository as shall be specified in the order from the Company with respect thereto (which the Company agrees to deliver) to the Trustee, as the Company's agent for such purpose, and in accordance with any instructions given to the Trustee and the depository (which instructions shall be in writing but need not be contained in or accompanied by an officers' certificate or be accompanied by an opinion of counsel), to be exchanged, in whole or in part, for definitive Series JJJ Bonds as described above without charge. The Trustee shall authenticate and make available for delivery, in exchange for each portion of each surrendered Global Security, a like aggregate principal amount of definitive Series JJJ Bonds of authorized denominations as the portion of such Global Security to be exchanged. Promptly following any such exchange in part, such Global Security shall be returned by the Trustee to such depository or its custodian. If a definitive Series JJJ Bond is issued in exchange for any portion of a Global Security after the close of business at the place where such exchange occurs on or after (i) any regular record date for the date the interest is due (the "Interest Payment Date") for such bond and before the opening of business at that place of payment on the next Interest Payment Date, or (ii) any special record date for the payment of interest for such bond which was not punctually paid or duly provided for on any Interest Payment Date and before the opening of business at such place of payment on the related proposed date for the payment of such interest, as the case may be, interest shall not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such definitive bond, but shall be payable on the Interest Payment Date or proposed date for payment, as the case may be, only to the person to whom interest in respect of such portion of such Global Security shall be payable in accordance with the provisions of the Indenture.

(3) Subject to Clause (2) above, any exchange or transfer of a Global Security for other Series JJJ Bonds may be made in whole or in part, and all bonds issued in exchange for or upon transfer of a Global Security or any portion thereof shall be registered in such names as the depository for such Global Security shall direct.

(4) Every Series JJJ Bond authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such bond is registered in the name of a person other than the depository for such Global Security or a nominee thereof.

(5) Unless otherwise specified as contemplated by Section 1 of Article I of this Supplemental Indenture for the Series JJJ Bonds evidenced thereby, every Global Security authenticated and delivered hereunder shall bear a legend in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY OTHER PERSON IS WRONGFUL, INASMUCH AS THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.

Section 5: The Series JJJ Bonds may contain or have imprinted thereon such provisions or specifications not inconsistent with the Indenture as may be required to comply with the rules of any stock exchange or any federal or state authority or commission, or to comply with usage with respect thereto, and may bear such other appropriate endorsements or notations as are authorized or permitted by the Indenture.

Section 6: In the manner and subject to certain conditions and limitations specified herein and in the Indenture, Series JJJ Bonds may be exchanged without a service charge for a like aggregate principal amount of such Series JJJ Bonds of other authorized denomination or denominations; *provided* that the Company may require payment of a sum or sums sufficient to reimburse it for any stamp tax or other governmental charge payable in connection therewith.

Section 7: The Company shall maintain in the City and County of San Francisco, State of California, and in such other place or places as the Company may designate at any time or from time to time, an office or agency where Series JJJ Bonds may be presented for payment, registration, transfer and exchange as provided therein or in the Indenture. Such office or agency in the City and County of San Francisco shall be the corporate trust office of the Trustee unless and until the Company shall designate another office or agency by notice in writing delivered to the Trustee. Notwithstanding the foregoing, if and when definitive bonds are issued, the Company shall maintain in the Borough of Manhattan, City and County of New York, State of New York, an office or agency where Series JJJ Bonds may be presented for payment, registration, transfer and exchange as provided therein or in the Indenture.

Section 8: No transfer or exchange of any Series JJJ Bonds pursuant to any of the provisions of this Article I shall be made except upon and in accordance with all of the applicable terms, provisions and conditions of said bonds and of the Indenture.

ARTICLE II MISCELLANEOUS PROVISIONS

Section 1: This instrument is executed and shall be construed as an indenture supplemental to the Original Indenture and shall form a part thereof and, as supplemented by this Fifty-Eighth Supplemental Indenture, the Original Indenture as heretofore supplemented and amended is hereby confirmed.

Section 2: All terms used in this Fifty-Eighth Supplemental Indenture shall be taken to have meaning as in the Original Indenture, as heretofore supplemented and amended, except terms which may be otherwise expressly defined herein and in cases where the context clearly indicates otherwise.

Section 3: In order to facilitate the filing of this Fifty-Eighth Supplemental Indenture, the same may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original, but such counterparts shall constitute but one and the same instrument.

Section 4: All of the covenants, stipulations, promises and agreements in this Fifty-Eighth Supplemental Indenture by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

Section 5: To the extent any provision in this Fifty-Eighth Supplemental Indenture conflicts with any provision in the Indenture, the provisions of this Fifty-Eighth Supplemental Indenture shall govern; *provided, however*, that in the event such conflict would require bondholder consent, the terms and provisions of the Indenture shall govern.

Section 6: The Original Indenture, as heretofore amended and supplemented, insofar as it applies to the Series JJJ Bonds, this Fifty-Eighth Supplemental Indenture and the Series JJJ Bonds shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of laws principles thereof.

{Signature Page Follows}

IN WITNESS WHEREOF, SAN DIEGO GAS & ELECTRIC COMPANY has caused this Fifty-Eighth Supplemental Indenture to be signed in its name and behalf by its duly authorized officer and its corporate seal to be hereunto affixed duly attested by its Secretary or one of its Assistant Secretaries, and U.S. BANK NATIONAL ASSOCIATION, to evidence its acceptance of the trusts hereby created, has caused this Fifty-Eighth Supplemental Indenture to be signed in its name and behalf by its duly authorized officer as of the day and year first above written.

SAN DIEGO GAS & ELECTRIC COMPANY

By: /s/ Robert M. Schlax

Name: Robert Schlax

Title: Vice President, Chief Financial Officer, Controller,
Treasurer and Chief Accounting Officer

(CORPORATE SEAL)

Attest:

By: /s/ Randall L. Clark

Name: Randall L. Clark

Title: Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: /s/ Fonda Hall

Name: Fonda Hall

Title: Vice President

[Supplemental Indenture]

STATE OF CALIFORNIA)
) to-wit:
CITY/COUNTY OF SAN DIEGO)

On this 16th Day of August, 2011, before me, ANNIE VICTORIA RUIZ, a Notary Public, personally appeared ROBERT SCHLAX, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[SEAL]

/s/ Annie Victoria Ruiz

STATE OF CALIFORNIA)
) to-wit:
CITY/COUNTY OF SAN DIEGO)

On this 16th Day of August, 2011, before me, Mary L. Elliott, a Notary Public, personally appeared RANDALL L. CLARK, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[SEAL]

/s/ Mary L. Elliott

[Supplemental Indenture]

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

On August 17, 2011, before me, Keith S. Young, a Notary Public, in and for said County and State, personally appeared Fonda Joy Hall, of U.S. BANK NATIONAL ASSOCIATION, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the entity upon behalf of which he/she acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[SEAL]

/s/ Keith S. Young

[Supplemental Indenture]

EXHIBIT A
FORM OF BOND
(Attached)

[If this bond is issued as a global security, insert the following legend: THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY OTHER PERSON IS WRONGFUL, INASMUCH AS THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.]

SAN DIEGO GAS & ELECTRIC COMPANY
(INCORPORATED UNDER THE LAWS OF THE STATE OF CALIFORNIA)

**3.00% FIRST MORTGAGE BOND,
SERIES JJJ, DUE 2021**

No.

\$
CUSIP No. 797440 BN3
ISIN No. US797440BN35

SAN DIEGO GAS & ELECTRIC COMPANY, a corporation organized and existing under the laws of the State of California (hereinafter called the “Company”, which term shall include any successor corporation, as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to

[If this bond is issued as a global security, insert CEDE & CO. in the foregoing space] or registered assigns, the principal sum of _____ dollars in lawful money of the United States of America, on the fifteenth day of August, 2021, and to pay interest thereon from the date of this bond, at the rate of 3.00% per annum in like lawful money, payable semi-annually, on the fifteenth day of February and August (each, an “Interest Payment Date”) in each year, to the holder of record of this bond on the immediately preceding first day of February and August, respectively, commencing February 15, 2012, until the Corporation’s obligation with respect to the payment of such principal (and premium, if any) shall be discharged as provided in the Indenture hereinafter mentioned. The principal of (and premium, if any) and interest on this bond will be paid at the corporate trust office of U.S. Bank National Association, or its successor trustee under said Indenture, in the City and County of San Francisco, State of California [if this bond is a definitive bond, insert: “, or at the office or agency in the Borough of Manhattan, City and County of New York, State of New York, that the Corporation maintains for such purpose”]. Notwithstanding the foregoing, so long as the holder of this bond is a depositary, or its nominee, payment of the principal of (and premium, if any) and interest on this bond will be made by wire transfer of immediately available funds.

The provisions of this bond are continued following the signature blocks below and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

This bond shall not be valid or become obligatory for any purpose unless and until U.S. BANK NATIONAL ASSOCIATION, as Trustee under the Indenture, as amended, or its successor thereunder, shall have signed the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, SAN DIEGO GAS & ELECTRIC COMPANY has caused this instrument to be executed in its name by the signature or facsimile signature of its President or any Vice President and its corporate seal, or a facsimile thereof to be hereto affixed and attested by the signature or facsimile signature of its Secretary or any Assistant Secretary.

Dated:

SAN DIEGO GAS & ELECTRIC COMPANY

By: _____
President or Vice President

(CORPORATE SEAL)

Attest:

Secretary or Assistant Secretary

This bond is one of a duly authorized issue of bonds of the Company, known as its First Mortgage Bonds, of the series and designation indicated on the face hereof (the "Series JJJ Bonds"), all issued and to be issued under and equally secured by a Mortgage and Deed of Trust dated July 1, 1940, and indentures supplemental thereto, including the Fifty-Eighth Supplemental Indenture dated as of August 18, 2011 (which Mortgage and Deed of Trust, as so supplemented and as the same may be further amended or supplemented from time to time, is herein called the "Indenture") executed by the Company to U.S. Bank National Association, as Trustee (herein called the "Trustee"), to which Indenture reference is hereby made for a description of the property mortgaged, pledged, hypothecated and in which a security interest was granted, the nature and extent of the security, the rights of the holders of the Series JJJ Bonds as to such security, and the terms and conditions upon which the Series JJJ Bonds may be issued under the Indenture and are secured. The principal hereof may be declared or may become due on the conditions, in the manner and at the time set forth in the Indenture, upon the happening of a completed default as in the Indenture provided.

Interest on the Series JJJ Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company or of the holders of the Series JJJ Bonds, or the terms and provisions of the Indenture or of any indentures supplemental thereto, may be modified or altered by the affirmative vote of the holders of the percentage of principal amount of bonds required by the Indenture; *provided, however*, that without the consent of the holder hereof no such modification or alteration shall permit, among other things, the reduction of the principal or the extension of the maturity of the principal of this bond, or the reduction of the rate of interest hereon, or any other modification of the terms of payment of such principal or interest.

The Company, the Trustee, any paying agent, any registrar, and any depository may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest hereon and for all other purposes and shall not be affected by any notice to the contrary.

All or a portion of the Series JJJ Bonds may be redeemed at the Company's option at any time or from time to time pursuant to this paragraph. The price at which the Series JJJ Bonds will be redeemed pursuant to this paragraph (the "Redemption Price") on the date fixed for such redemption (the "Redemption Date") will be equal to the greater of the following amounts: (a) 100% of the principal amount of the Series JJJ Bonds being redeemed on the Redemption Date; or (b) the sum of the present values of the remaining scheduled payments of principal and interest on the Series JJJ Bonds being redeemed on that Redemption Date (not including any portion of any payments of accrued and unpaid interest to the Redemption Date) discounted to the Redemption Date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus 15 basis points, as determined by the Independent Investment Banker (as defined below), plus, in each case, accrued and unpaid interest thereon to the Redemption Date. Notwithstanding the foregoing, installments of interest on Series JJJ Bonds that are due and payable on Interest Payment Dates falling on or prior to a Redemption Date will be payable on those Interest Payment Dates to the registered holders of such Series JJJ Bonds as of the close of business on the relevant record dates according to the terms of the Series JJJ Bonds and the Indenture. The Redemption Price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Notice of any redemption will be mailed at least 30 days, but not more than 60 days, before the Redemption Date to each registered holder of the Series JJJ Bonds to be redeemed. Once notice of redemption is mailed, the Series JJJ Bonds called for redemption will become due and payable on the Redemption Date and at the applicable Redemption Price, plus accrued and unpaid interest to the Redemption Date. Redemption will not be conditional upon receipt by the Trustee of monies sufficient to pay the Redemption Price.

Unless the Company defaults in payment of the Redemption Price, on and after the Redemption Date interest will cease to accrue on the Series JJJ Bonds or portions thereof called for redemption. The Company will pay the Redemption Price and any accrued interest once the Series JJJ Bonds are surrendered for redemption. If only a portion of any Series JJJ Bonds is redeemed, the Trustee will deliver new Series JJJ Bonds for the remaining portion without charge.

“Adjusted Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means, with respect to any Redemption Date, the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Series JJJ Bonds to be redeemed on such Redemption Date that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Series JJJ Bonds.

“Comparable Treasury Price” means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, or (B) if only one Reference Treasury Dealer Quotation is received, such quotation.

“Independent Investment Banker” means, with respect to any Redemption Date, one of the Reference Treasury Dealers appointed by the Company to act as the “Independent Investment Banker.”

“Reference Treasury Dealer” means, with respect to any Redemption Date, (A) Deutsche Bank Securities Inc., RBC Capital Markets, LLC, UBS Securities LLC and a Primary Treasury Dealer (as defined below) selected by CastleOak Securities, L.P. (or their respective affiliates which are Primary Treasury Dealers) and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”), the Company will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer(s) selected by the Company.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such Redemption Date. As used in the preceding sentence, “business day” means any day (other than a Saturday or Sunday) on which banking institutions in The City of New York are not authorized or obligated by law or executive order to remain closed.

In the event that the Company elects to redeem only a portion of the Series JJJ Bonds, the bonds to be redeemed shall be selected in accordance with the procedures of The Depository Trust Company, in the case of bonds represented by a global security, or by the Trustee by a method the Trustee deems to be fair and appropriate, in the case of bonds that are not represented by a global security.

As more fully provided in and subject to the provisions of the Indenture, the Series JJJ Bonds are also subject to redemption on any date, under certain circumstances specified in Section 13 of Article XI of the Indenture in case of the disposition or taking of certain properties of the Company, at 100% of the principal amount thereof, together with accrued interest thereon.

This bond is transferable as prescribed in the Indenture by the registered owner hereof in person, or by his duly authorized attorney, at the corporate trust office of the Trustee in the City and County of San Francisco, State of California, upon surrender and cancellation of this bond and thereupon a new registered bond of the same series and principal amount will be issued to the transferee in exchange therefor as provided in the Indenture, upon payment of any tax or taxes or other governmental charges required to be paid by the Company by reason of such transfer.

The registered owner of any Series JJJ Bond, at the option of such holder, may surrender the same, accompanied by a written instrument of transfer in form approved by the Company duly executed by the registered owner, at the corporate trust office of the Trustee in the City and County of San Francisco, State of California, for

cancellation in exchange for another or other registered bonds of the said series of higher or lower authorized denominations of an aggregate principal amount equal to the aggregate principal amount of the bond or bonds so surrendered and bearing interest as provided in Section 9 of Article II of the Indenture, and upon payment of any tax or taxes or other governmental charges required to be paid by the Company by reason of such exchange and subject to the terms and conditions specified in the Indenture, thereupon the Company shall execute and deliver to the Trustee and the Trustee shall authenticate and deliver such other bonds to such registered owner at its office or at such agency of the Company, at the option of such registered owner.

No recourse shall be had for the payment of the principal of (or premium, if any) or the interest on this bond, or any part thereof, or of any claim based herein or in respect hereof or of said Indenture, against any incorporator, or any past or future stockholder, officer or director, as such, of the Company or of any predecessor or successor corporation, either directly or through the Company, or through any such predecessor or successor corporation, or through any receiver or a trustee in bankruptcy, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released, as more fully provided in the Indenture.

This bond is one of the bonds of the series designated therein, described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
As Trustee

By _____
Authorized Officer

Date of Authentication :

355 South Grand Avenue
 Los Angeles, California 90071-1560
 Tel: +1.213.485.1234 Fax: +1.213.891.8763
 www.lw.com

LATHAM & WATKINS^{LLP}

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Madrid	Washington, D.C.
Milan	

August 18, 2011

San Diego Gas & Electric Company
 8326 Century Park Court
 San Diego, California 92123

Re: Registration Statement No. 333-159046; Issuance of \$350,000,000 Aggregate
 Principal Amount of 3.00% First Mortgage Bonds, Series JJJ, due 2021

Ladies and Gentlemen:

We have acted as special counsel to San Diego Gas & Electric Company, a California corporation (the “**Company**”), in connection with the Company’s issuance of \$350,000,000 aggregate principal amount of 3.00% First Mortgage Bonds, Series JJJ, due 2021 (the “**Bonds**”) under an indenture, dated as of July 1, 1940, between the Company and U.S. Bank National Association, as successor trustee (the “**Trustee**”), as amended and supplemented to date, including as supplemented by the supplemental indenture, dated as of August 18, 2011 (the “**Indenture**”), between the Company and the Trustee, setting forth the terms of the Bonds, and pursuant to a registration statement on Form S-3 under the Securities Act of 1933, as amended (the “**Act**”), filed with the Securities and Exchange Commission (the “**Commission**”) on May 7, 2009 (Registration No. 333-159046) (as amended, the “**Registration Statement**”), and an underwriting agreement, dated August 15, 2011, between the underwriters named therein and the Company.

This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related prospectus, other than as expressly stated herein with respect to the issue of the Bonds.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the

internal laws of the State of California and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or as to any matters of municipal law or the laws of any local agencies within any state.

Subject to the foregoing and the other matters set forth herein, it is our opinion that the Bonds have been duly authorized by all necessary corporate action of the Company and are the legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

Our opinion is subject to: (i) the effect of bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights and remedies of creditors; (ii) the effect of general principles of equity, whether considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which a proceeding is brought; (iii) the invalidity under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and (iv) we express no opinion with respect to (a) any provision for liquidated damages, default interest, late charges, monetary penalties or other economic remedies to the extent such provisions are deemed to constitute a penalty; (b) consents to, or restrictions upon, governing law, jurisdiction, venue, arbitration, remedies, or judicial relief; (c) advance waivers of claims, defenses, rights granted by law, or notice, opportunity for hearing, evidentiary requirements, statutes of limitation, trial by jury or at law, or other procedural rights, including the waiver of rights or defenses contained in Article XII, Section 12 of the Indenture; (d) any provision requiring the payment of attorneys' fees, where such payment is contrary to law or public policy, and we call to your attention the provisions of Sections 1717 and 1717.5 of the California Civil Code, which limit and create obligations for the payment of attorneys' fees; (e) any provision permitting, upon acceleration of the Bonds, collection of that portion of the stated principal amount thereof which might be determined to constitute unearned interest thereon; (f) waivers of broadly or vaguely stated rights; (g) provisions prohibiting, restricting, or requiring consent to assignment or transfer of any right or property, or the effect thereon of California Civil Code Section 711; and (h) the severability, if invalid, of provisions to the foregoing effect. We do not render any opinion herein with respect to the creation, validity, perfection or priority of any security interest.

With your consent, we have assumed (a) that the Indenture and the Bonds (collectively, the "**Documents**") have been duly authorized, executed and delivered by the parties thereto other than the Company, (b) that the Documents constitute legally valid and binding obligations of the parties thereto other than the Company, enforceable against each of them in accordance with their respective terms, and (c) that the status of the Documents as legally valid and binding obligations of the parties is not affected by any (i) breaches of, or defaults under, agreements or instruments, (ii) violations of statutes, rules, regulations or court or governmental orders, or (iii) failures to obtain required consents, approvals or authorizations from, or make required registrations, declarations or filings with, governmental authorities.

LATHAM & WATKINS LLP

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Company's Form 8-K dated August 18, 2011 and to the reference to our firm contained in the prospectus for the offering of the Bonds under the heading "Legal Matters." In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP