As filed with the Securities and Exchange Commission on December 21, 1994

Registration No. _____

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
under
THE SECURITIES ACT OF 1933

SDO PARENT CO., INC.
(Exact name of registrant as specified in its charter)

California	6719	33-0643023
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

101 Ash Street
San Diego, California 92101
(619) 696-2000
(Address, including ZIP Code, and telephone number, including area code, of registrant's principal executive offices)

Nad A. Peterson
101 Ash Street
San Diego, California 92101
(619) 696-2000
(Name, address, including ZIP Code, and telephone number, including area code, of agent for service)

It is requested that copies of communications be sent to:
David R. Snyder
Pillsbury Madison & Sutro
101 W. Broadway, Suite 1800
San Diego, California 92101
(619) 544-3369

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [_]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be registered/(1)/	Proposed Maximum Offering Price Per Unit/(2)/	Proposed Maximum Aggregate Offering Price/(2)/	Amount of Registration Fee/(2)/
Common Stock (without par value).....	116,541,000	$19.8125	$2,308,968,562.50	$796,201.63

(1) Includes: approximately 116,536,535 shares to be issued upon conversion of shares of San Diego Gas & Electric Company ("SDG&E") Common Stock which are expected to be issued and outstanding as of the effective date of this registration statement; and approximately 4,465 shares to be issued upon conversion of shares of SDG&E Common Stock which may be issued after the effective date and prior to consummation of the proposed restructuring described herein pursuant to a common stock investment plan and certain employee benefit plans of SDG&E (the registrant intends to file post-effective amendments with respect to presently effective registration statements in respect of securities issuable under such plans pursuant to Rule 414(d) promptly upon the effectiveness of such restructuring).

(2) Estimated pursuant to Rule 457 solely for the purpose of calculating the registration fee on the basis of the average of the high and low prices of the Common Stock of SDG&E as reported on the New York Stock Exchange on December 14, 1994.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SDO PARENT CO., INC.

CROSS-REFERENCE SHEET
(Pursuant to Item 501(b) of Regulation S-K)

Form S-4 Item No.	Caption	Location in Proxy Statement Prospectus
A.	Information About the Transaction	
1.	Forepart of Registration Statement and Outside Front Cover Page of Prospectus	Outside Front Cover Page
2.	Inside Front and Outside Back Cover Pages of Prospectus	Available Information; Incorporation of Certain Documents by Reference; Table of Contents
3.	Risk Factors, Ratio of Earnings to Fixed Charges and Other Information	Summary of Proxy Statement; Formation of a Holding Company
4.	Terms of the Transaction	Summary of Proxy Statement; Formation of a Holding Company
5.	Pro Forma Financial Information	Formation of a Holding Company
6.	Material Contacts with the Company Being Acquired	*
7.	Additional Information Required for Reoffering by Persons and Parties Deemed to be Underwriters	*
8.	Interests of Named Experts and Counsel	*
9.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	*
B.	Information About the Registrant	
10.	Information With Respect to S-3 Registrants	Incorporation of Certain Documents by Reference; Summary of Proxy Statement
11.	Incorporation of Certain Information by Reference	Incorporation of Certain Documents by Reference
12.	Information With Respect to S-2 or S-3 Registrants	*
13.	Incorporation of Certain Information by Reference	*
14.	Information With Respect to Registrants Other Than S-2 or S-3 Registrants	*
C.	Information About the Company Being Acquired	
15.	Information With Respect to S-3 Companies	Incorporation of Certain Documents by Reference; Summary of Proxy Statement
16.	Information With Respect to S-2 or S-3 Companies	*
17.	Information With Respect to Companies Other Than S-3 or S-2 Companies	*

D.	Voting and Management Information	
18.	Information if Proxies, Consents or Authorizations are to be Solicited	Notice to Shareholders; Summary Information; General Information; Proxy Solicitations; Formation of a Holding Company - Rights of Dissenting Shareholders, and - Required Vote; Incorporation of Certain Documents by Reference
19	Information if Proxies, Consents or Authorizations are not to be Solicited or in an Exchange Offer	*

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* Not Applicable.

SAN DIEGO GAS & ELECTRIC COMPANY

Notice of Special Meeting of Shareholders
and
Proxy Statement and Prospectus

Special Meeting
[_____, _____ __], 1995

San Diego Gas & Electric Company

Dear Shareholder:

You are invited to attend a Special Meeting of San Diego Gas & Electric Company Shareholders, to be held at [__ _].m. on [_____, _____ __], 1995, at the California Center for the Arts, Escondido, 340 North Escondido Boulevard, Escondido, California (a map is included with the enclosed Notice of Meeting and Proxy Statement and Prospectus).

At the Special Meeting, an important decision regarding the structure of the Company will be made. The Shareholders will be asked to consider and vote upon a proposal to implement a holding company structure for SDG&E. This matter is described in the enclosed Proxy Statement and Prospectus.

Whether or not you plan to attend the Special Meeting, please fill out, sign and return your proxy card right away. Your vote is very important.

Sincerely yours,

Thomas A. Page
Chairman of the Board, President
and Chief Executive Officer

[MAP TO CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO]

Notice of Special Meeting of Shareholders of SDG&E

Office of the Secretary
San Diego Gas & Electric Company
P.O. Box 1831, 101 Ash Street
San Diego, California 92112-4150

[_____, _____ __], 1995

A Special Meeting of Shareholders of San Diego Gas & Electric Company will be held on [_____, _____ __], 1995, at [__ _].m. at the California Center for the Arts, Escondido, 340 North Escondido Boulevard, Escondido, California, to consider and take action on the approval of a Merger Agreement which, if approved, will cause (i) the formation of a holding company, SDO Parent Co., Inc. (whose name is subject to change prior to consummation of the transactions contemplated by the Merger Agreement), (ii) the current holders of SDG&E Common Stock to have their shares converted into shares of common stock of the holding company, (iii) SDG&E to become a subsidiary of the holding company, and (iv) the consummation of related activities to complete the transition into a holding company structure.

The SDG&E Board of Directors has fixed the close of business on [_____ __], 1995 as the record date for the determination of shareholders entitled to notice of and to vote at the Special Meeting or any adjournment thereof. It is anticipated that the proxy material will be mailed to shareholders on or about the date of this notice.

San Diego, California
[_____ __], 1995

By order of the Board of Directors
N. A. Peterson
Senior Vice President,
General Counsel and Secretary

YOUR VOTE IS IMPORTANT! Please sign and return your enclosed proxy promptly, even if you expect to attend the Special Meeting. A business reply envelope is enclosed for your convenience in returning the proxy. It requires no postage if mailed within the United States. Ample free parking will be available at the California Center for the Arts, Escondido.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

[Subject to completion, dated December 21, 1994]

SAN DIEGO GAS & ELECTRIC COMPANY
SDO Parent Co., Inc.
P.O. Box 1831, 101 Ash Street
San Diego, California 92112-4150

SPECIAL MEETING OF SHAREHOLDERS

PROXY STATEMENT AND PROSPECTUS

This Proxy Statement and Prospectus is being furnished to shareholders (the "Shareholders") of San Diego Gas & Electric Company, a California corporation ("SDG&E" or the "Company"), in connection with the solicitation of proxies by the SDG&E Board of Directors (the "Board of Directors"). The proxies will be voted at the Special Meeting of Shareholders to be held at [__ _.m.] on [_____, _____ __], 1995, at the California Center for the Arts, Escondido, 340 North Escondido Boulevard, Escondido, California, and at any adjournment or postponement thereof (the "Special Meeting"), for the purposes listed in the preceding Notice of Special Meeting.

At the Special Meeting, the Shareholders will be asked to approve the terms of an agreement of merger (the "Merger Agreement"), among SDG&E, SDO Parent Co., Inc., a California corporation that is a wholly-owned subsidiary of SDG&E ("ParentCo"), and San Diego Merger Company, a California corporation that is a wholly-owned subsidiary of ParentCo ("MergeCo"). If the Merger Agreement is approved and implemented, MergeCo will merge with and into SDG&E (the "Merger") and each outstanding share of the common stock of SDG&E, without par value ("SDG&E Common Stock"), will be automatically converted into one share of the common stock of ParentCo, without par value ("ParentCo Common Stock"). As a result, SDG&E will become a subsidiary of ParentCo and the holders of SDG&E Common Stock will become holders of ParentCo Common Stock. The outstanding shares of SDG&E's cumulative preferred stock, $20 par value per share ("SDG&E Cumulative Preferred Stock"), and SDG&E's preference stock (cumulative), without par value ("SDG&E Preference Stock (Cumulative)"), will be unchanged and will continue to be outstanding shares of SDG&E. See "Formation of a Holding Company" under the heading "Plan of Implementation."

This Proxy Statement and Prospectus also serves as the Prospectus for ParentCo under the Securities Act of 1933 with respect to the issuance of up to 116,541,000 shares of ParentCo Common Stock in connection with the Merger. Further information concerning the stock offered hereby is contained in "Formation of a Holding Company" under the heading "Articles of Incorporation and Bylaws of ParentCo."

The approximate date of mailing of this Proxy Statement and Prospectus is [_____ __], 1995.

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

The date of this Proxy Statement and Prospectus is [_____ __], 1995.

Available Information

This Proxy Statement is also a Prospectus delivered in compliance with the Securities Act of 1933, as amended (the "Securities Act"). A registration statement under the Securities Act has been filed with the Securities and Exchange Commission (the "SEC"), Washington, D.C., with respect to the securities offered in the Prospectus (the "Registration Statement"). As permitted by the rules and regulations of the SEC, this Proxy Statement and Prospectus omits certain information contained in the Registration Statement. For further information pertaining to the securities being offered, reference is made to the Registration Statement, including exhibits filed as a part thereof.

SDG&E is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance with the Exchange Act, files reports, proxy statements and other information with the SEC. These reports, proxy statements and other information, as well as the Registration Statement, can be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's regional offices in Chicago (Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511) and in New York (Seven World Trade Center, 13th Floor, New York, New York 10048), and copies of such material can be obtained from the public reference section of the SEC at prescribed rates by writing to the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. SDG&E Common Stock is listed on the New York Stock Exchange (the "NYSE") and on the Pacific Stock Exchange (the "PSE"). Reports, proxy material and other information concerning SDG&E may also be inspected at the offices of the NYSE and the PSE.

ParentCo was formed to effectuate the transactions described under "Formation of a Holding Company" and has not previously been subject to the requirements of the Exchange Act, and there is currently no public market for its stock. However, if the transactions described herein are approved and consummated, ParentCo will become subject to the same information, reporting and proxy statement requirements under the Exchange Act as currently apply to SDG&E, and such information will be available for inspection and copying at the offices of the SEC set forth above. ParentCo will also apply to have ParentCo Common Stock listed on the NYSE and the PSE as of (or promptly following) the effective date of the Merger described under "Formation of a Holding Company," and if such applications are accepted Exchange Act reports, proxy statements and other information concerning ParentCo will be available for inspection and copying at such exchanges.

No person is authorized to give any information or to make any representations with respect to the matters described in this Proxy Statement and Prospectus other than those contained herein or in the documents incorporated herein by reference. Any information or representations with respect to such matters not contained herein or therein must not be relied upon as having been authorized by SDG&E or ParentCo.

This Proxy Statement and Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities (i) other than the registered securities to which it relates or (ii) in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Neither the delivery of this Proxy Statement and Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of SDG&E or ParentCo since the date hereof or that the information in this Proxy Statement and Prospectus or in the documents incorporated by reference herein is correct as of any time subsequent to the dates hereof and thereof, respectively.

Incorporation of Certain Documents by Reference

This Proxy Statement and Prospectus incorporates documents by reference which are not presented herein or delivered herewith. These documents are available upon request from N. A. Peterson, Senior Vice President, General Counsel and Secretary, San Diego Gas & Electric Company, P.O. Box 1831, San Diego, California 92112-4150 (telephone: in California, (800) 826-5942; and from elsewhere, (800) 243-5454). In order to ensure timely delivery of the documents, any request should be made by [_____ __], 1995.

The following documents filed by SDG&E with the SEC are incorporated in this Proxy Statement and Prospectus by reference:

1. SDG&E's Annual Report on Form 10-K for the year ended December 31, 1993;

2. SDG&E's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1994, June 30, 1994 and September 30, 1994; and

3. SDG&E's Current Report on Form 8-K dated November 7, 1994.

All documents filed by SDG&E pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Proxy Statement and Prospectus and prior to the Special Meeting shall be deemed to be incorporated by reference in this Proxy Statement and Prospectus and to be a part of this Proxy Statement and Prospectus from the date of filing of such documents. Any statement contained herein or in a document all or a portion of which is incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Proxy Statement and Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Proxy Statement and Prospectus.

Upon written or oral request, a copy of any and all of the information that has been incorporated by reference in this Proxy Statement and Prospectus will be provided without charge to each person, including any beneficial owner, to whom this Proxy Statement and Prospectus is delivered. This will not include exhibits to the information unless the exhibits are specifically incorporated by reference in the information. Requests for copies should be made to the Senior Vice President, General Counsel and Secretary of SDG&E at the address and telephone numbers set forth above.

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SUMMARY OF PROXY STATEMENT

The following summary of the matter to be voted on at the Special Meeting of Shareholders is qualified in its entirety by reference to the more detailed information set forth elsewhere herein, including the exhibits hereto and the documents incorporated herein by reference.

FORMATION OF A HOLDING COMPANY

SDG&E

SDG&E is a public energy management company primarily engaged in the businesses of providing (i) electric service to customers in San Diego County and the southern portion of Orange County and (ii) gas to customers in San Diego County. SDG&E's principal executive offices are located at 101 Ash Street, San Diego, California 92101 (telephone number: (619) 696-2000) (mailing address: P.O. Box 1831, San Diego, California 92112-4150).

ParentCo

ParentCo, the proposed holding company for SDG&E, is at present a wholly-owned subsidiary of SDG&E and was organized for the purpose of becoming the new parent holding company. Its principal executive offices are at the same location as SDG&E's offices referred to above (it also shares the same telephone number and mailing address).

Reasons for the Restructuring

The SDG&E Board of Directors considers it to be in the best interests of SDG&E and its Shareholders to change the corporate structure of SDG&E and its subsidiaries. The objective of such a restructuring is to have SDG&E and its direct subsidiaries become separate, directly-owned subsidiaries of a new parent company (ParentCo), with the present holders of SDG&E Common Stock becoming holders of ParentCo Common Stock. The Board of Directors believes the proposed restructuring will provide the means for a more clearly defined separation of utility and non-utility operations and permit greater financial and organizational flexibility to meet the changing operational, regulatory and economic environment for utilities.

The proposed restructuring will lead to a change for holders of SDG&E Common Stock in the nature of their investment: from shares of stock in a regulated utility with some diversified operations in separate subsidiaries to shares of stock in a holding company which is not directly regulated in the same manner as a utility. SDG&E will constitute the predominant part of ParentCo's earning power and assets for the foreseeable future. However, both regulation of utilities and the markets which SDG&E has traditionally served are changing. As facets of the traditional utility business which were once regulated, such as electric generation, have become unregulated and competitive, the energy options for customers, particularly large industrial users of energy, are expanding.

Management believes that the corporate separation afforded by a holding company structure will permit the holding company, ParentCo, effectively to respond to increasing competition in the energy business. Where a facet of the business becomes unregulated, that facet can be separated from the core utility business of SDG&E, although remaining under the common ownership of ParentCo. Separation of such facets of the energy business, as well as the diversified operations of SDG&E's present non-utility subsidiaries, from the core utility business of SDG&E will help to protect SDG&E's stability as viewed by sources of financing. Such stability is vital to avoid increased capital costs for SDG&E, and thus higher utility rates. Accordingly, the holding company structure will support SDG&E's ability to continue efficiently meeting its customers needs while permitting ParentCo to respond to a changing business environment. See "Formation of a Holding Company--Reasons for the Restructuring."

Accomplishing the Restructuring

Pursuant to the Merger Agreement in the form attached to this Proxy Statement and Prospectus as Exhibit A, a subsidiary of ParentCo (MergeCo) will be merged with and into SDG&E. In the Merger, the outstanding shares of SDG&E Common Stock will be converted into new shares of ParentCo Common Stock on a share-for-share basis, and SDG&E will become a subsidiary of ParentCo. SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) will remain outstanding, and be unaffected by the Merger.

If the actions contemplated by the Merger Agreement are approved by the Shareholders, it is contemplated that the Merger will become effective as soon as practicable following receipt of all required regulatory approvals in respect of the Merger and related restructuring, including approval by the California Public Utilities Commission (the "CPUC"). An application for such approval by the CPUC was filed by SDG&E, ParentCo and MergeCo on November 7, 1994.

Promptly following the Merger, SDG&E's interest in its direct subsidiaries will be transferred to ParentCo (the transfer and the Merger are sometimes referred to as the "restructuring"). The restructuring will be accounted for in a manner similar to a pooling of interests.

If the restructuring is completed, it will not be necessary to exchange certificates representing SDG&E Common Stock for certificates representing ParentCo Common Stock. Rather, certificates for SDG&E Common Stock will automatically be deemed to represent certificates for a like number of shares of ParentCo Common Stock.

Application has been made to list ParentCo Common Stock on the New York Stock Exchange (the "NYSE") and on the Pacific Stock Exchange. In the absence of such listing on the NYSE, the Board of Directors may elect not to consummate the transactions contemplated by the Merger Agreement (including the Merger).

Regulatory Approvals

SDG&E must obtain authorization from the CPUC to implement the restructuring. In addition, certain aspects of the restructuring require SDG&E to seek approvals from the Federal Energy Regulatory Commission and the Nuclear Regulatory Commission. See "Formation of a Holding Company--Regulation."

Dividend Policy

It is expected that ParentCo initially will make quarterly dividend payments on ParentCo Common Stock equal to the rate currently paid by SDG&E on SDG&E Common Stock and on approximately the same schedule of dates as that now followed by SDG&E. Future dividend payments initially will depend primarily on the earnings, financial condition and capital requirements of SDG&E. See "Formation of a Holding Company--Dividend Policy."

Federal Income Tax Consequences

The proposed restructuring should not affect the position of present SDG&E shareholders for federal income tax purposes. See "Formation of a Holding Company--Federal Income Tax Consequences of the Merger."

Vote Required to Approve the Restructuring

Shareholder approval of the restructuring will require the favorable vote of:

1. A majority of the outstanding shares of SDG&E Common Stock;

2. A majority of the outstanding shares of SDG&E Common Stock and SDG&E Cumulative Preferred Stock, voting together, with each share of SDG&E Common Stock having one vote and each share of SDG&E Cumulative Preferred Stock having two votes; and

3. Two-thirds of the outstanding shares of SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative), voting together, with each share having one vote. See "Formation of a Holding Company--Required Vote."

SDG&E's Directors and executive officers and their affiliates own less than one percent (1%) of the voting securities of SDG&E. After the restructuring, they will continue to own less than one percent (1%) of the voting securities of ParentCo.

Rights of Dissenting Shareholders

Holders of SDG&E Cumulative Preferred Stock, 4.60% Series, upon compliance with certain statutory requirements, will be entitled to receive payment of the fair market value of their shares if the Merger is completed. Holders of SDG&E Common Stock and holders of

SDG&E Cumulative Preferred Stock other than the 4.60% Series who comply with the statutory requirements also may be entitled to receive payment of the fair market value of their shares if the Merger is completed; however, they will not be so entitled unless (i) five percent (5%) or more of the shares of their class (with SDG&E Common Stock, as one class, and SDG&E Cumulative Preferred Stock other than the 4.60% Series, as another class) demand payment or (ii) their shares are restricted as to transfer. Holders of SDG&E Preference Stock (Cumulative) have no statutory right to dissent and receive payment for their shares in connection with the Merger. See "Formation of a Holding Company--Rights of Dissenting Shareholders."

Selected Financial Information

The following table sets forth selected financial information with respect to the Company. Such financial information is derived from, and qualified by reference to, the financial statements contained in certain documents incorporated herein by reference.

Results of Operations/(1)/

	For the Nine Months Ended September 30,		For the Year Ended December 31,				
	(Millions of dollars, except per share amounts)						
	1994/(2)/	1993	1993	1992	1991	1990	1989
Operating revenues							
Electric	$ 1,115.1	$1,111.2	$1,514.6	$1,447.1	$1,357.5	$1,356.4	$1,324.9
Gas	252.4	257.2	346.7	337.0	338.2	355.1	300.4
Diversified operations	91.4	86.2	118.8	86.8	93.3	60.4	44.2
Total	$ 1,458.9	$1,454.6	$1,980.1	$1,870.9	$1,789.0	$1,771.9	$1,669.5
Operating income	223.0	223.0	293.7	296.3	315.5	314.0	284.8
Net income (before preferred dividend requirements)	86.4	161.9	218.7	210.7	208.1	207.8	179.4
Earnings applicable to common shares	80.6	155.3	210.2	201.1	197.5	197.0	168.2
Earnings per common share	0.69	1.34	1.81	1.77	1.76	1.76	1.50
Dividends declared per common share	1.14	1.11	1.48	1.44	1.3875	1.35	1.35

Other Financial Information/(1)/

	As of September 30,		As of December 31,				
	(Millions of dollars, except per share amounts)						
	1994	1993	1993	1992	1991	1990	1989
Total assets	$ 4,579.8	$4,683.3	$4,702.2	$4,494.6	$4,046.7	$3,945.2	$3,860.3
Long-term debt and preferred stock subject to mandatory redemption (excludes current portion)/(3)/	1,478.0	1,580.5	1,525.0	1,651.9	1,331.2	1,337.1	1,287.2
Common shareholders' equity	1,463.1	1,504.2	1,516.2	1,441.4	1,350.0	1,295.6	1,248.4
Book value per common share	12.56	12.91	13.01	12.53	12.00	11.58	11.16

(1) Information presented reflects consolidated information for SDG&E. Please refer to "Formation of a Holding Company--Pro Forma Financial Effects" for a discussion of certain pro forma effects of the proposed restructuring on results of operations and other financial information for SDG&E.

(2) Includes charges of approximately $80 million after-tax, or $0.68 per common share, for writedowns related to non-earning assets of SDG&E (approximately $13 million) and its non-utility subsidiaries (approximately $67 million).

(3) Includes long-term debt redeemable within one year.

Additional Financial Information

SDG&E's Annual Report on Form 10-K for the year ended December 31, 1993, which is incorporated by reference in this Proxy Statement and Prospectus, contains audited financial statements of SDG&E as of December 31, 1993 and for the year ended on that date. SDG&E's Quarterly Report for the quarter ended September 30, 1994, which also is incorporated by reference in this Proxy Statement and Prospectus, contains unaudited financial statements of SDG&E as of September 30, 1994 and for the nine-month period ending on that date. Copies of these documents may be obtained without charge upon request as provided under "Incorporation of Certain Documents by Reference" above.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" APPROVAL OF THE MERGER AGREEMENT AND THE PROPOSED FORMATION OF A HOLDING COMPANY.

SAN DIEGO GAS & ELECTRIC COMPANY
SDO PARENT CO., INC.
101 Ash Street
San Diego, California 92101

Proxy Statement and Prospectus

General Information

Meeting Date; Voting; Proxies

The enclosed proxy is solicited by the Board of Directors (the "Board of Directors") of San Diego Gas & Electric Company ("SDG&E" or the "Company") from the shareholders of SDG&E (the "Shareholders") for use at the Special Meeting of Shareholders, together with any adjournment thereof (the "Special Meeting"), to be held at [_:__].m. on [_____, _____ __], 1995, at the California Center for the Arts, Escondido, 340 North Escondido Boulevard, Escondido, California. Mail to SDG&E should be addressed to the Office of the Senior Vice President, General Counsel and Secretary, P.O. Box 1831, San Diego, California 92112-4150.

The enclosed proxy may be revoked at any time before it is voted by filing a written notice of revocation with SDG&E or by presenting an executed proxy bearing a later date at or prior to the Special Meeting. A Shareholder also may revoke a proxy by attending the Special Meeting and voting in person; however, attendance at the Special Meeting will not in and of itself constitute revocation of a proxy.

The Board of Directors has fixed the close of business on [_____ __], 1995 as the record date (the "Record Date") for the determination of Shareholders entitled to notice of and to vote at the Special Meeting.

SDG&E has three classes of stock, of which there were issued and outstanding at the close of business on the Record Date the following:

(a) 116,536,535 shares of common stock, without par value ("SDG&E Common Stock");

(b) 1,374,650 shares of cumulative preferred stock, $20 par value per share ("SDG&E Cumulative Preferred Stock"); and

(c) 3,190,000 shares of preference stock (cumulative), without par value ("SDG&E Preference Stock (Cumulative)").

A Shareholder of record as of the close of business on the Record Date is entitled to one vote per share for each share of SDG&E Common Stock held and two votes per share for each share

of SDG&E Cumulative Preferred Stock held. Holders of SDG&E Preference Stock (Cumulative) have voting rights only in limited circumstances described in the SDG&E Restated Articles of Incorporation, as amended (the "SDG&E Restated Articles"), and as allowed by California law.

Shares represented by properly executed proxies received by SDG&E prior to or at the Special Meeting will be voted at the Special Meeting in accordance with the instructions specified in each proxy. If no instructions are specified in a particular proxy, subject shares will be voted "FOR" approval of the Merger Agreement (defined below) and the proposed formation of a holding company.

This Proxy Statement and Prospectus and the enclosed proxy were first mailed on or about [_____ __], 1995 to Shareholders entitled to vote at the Special Meeting.

FORMATION OF A HOLDING COMPANY

General

The Board of Directors has authorized, subject to Shareholder approval, a plan to change the corporate structure of SDG&E and its subsidiaries. The result of the restructuring will be to have SDG&E and all of its direct subsidiaries become separate subsidiaries of a parent holding company, SDO Parent Co., Inc. (herein referred to as "ParentCo"), with the present holders of SDG&E Common Stock becoming holders of the common stock of ParentCo, without par value ("ParentCo Common Stock"). The direct subsidiaries of SDG&E that, in addition to SDG&E, would become direct subsidiaries of ParentCo are Pacific Diversified Capital Company, Enova Corporation, Califia Company and Enova Energy Management, Inc.

Management and the Board of Directors consider the proposed change in corporate structure to be in the best interests of SDG&E and its Shareholders, believing that a parent holding company, with SDG&E as its principal subsidiary, will result in benefits for SDG&E, its Shareholders and other constituents.

THE BOARD OF DIRECTORS OF SDG&E RECOMMENDS APPROVAL OF THE MERGER AGREEMENT AND THE PROPOSED FORMATION OF A HOLDING COMPANY AND URGES EACH SHAREHOLDER TO VOTE "FOR" THE PROPOSED RESTRUCTURING.

Plan of Implementation

To carry out the restructuring, SDG&E has formed a new California corporation, SDO Parent Co., Inc. (which name is subject to change at the discretion of the Board of Directors and without further action by the Shareholders prior to consummation of the restructuring). ParentCo has, in turn, formed a new California corporation, San Diego Merger Company ("MergeCo"). Prior to the Merger, (i) MergeCo will have a nominal amount of stock outstanding, all of which will be held by ParentCo, and no business or properties of its own,

and (ii) ParentCo will have no business or properties of its own, and its outstanding stock will be held by SDG&E.

SDG&E, ParentCo and MergeCo have approved an agreement of merger (the "Merger Agreement"). The Merger Agreement is subject to certain conditions, including shareholder approval as required by California law. If the transactions contemplated by the Merger Agreement occur, SDG&E will become a subsidiary of ParentCo through the merger of MergeCo into SDG&E (the "Merger"). A copy of the Merger Agreement is attached to this Proxy Statement as Exhibit A, and is incorporated herein by reference.

In the Merger, each share of SDG&E Common Stock will be converted into one share of ParentCo Common Stock. Promptly following the Merger, SDG&E will transfer to ParentCo the capital stock of SDG&E's present direct subsidiaries so that these companies also will become direct subsidiaries of ParentCo (the transfer, the Merger and related activity are sometimes referred to in this Proxy Statement and Prospectus as the "restructuring").

It is anticipated that the restructuring will not affect the position of present Shareholders of SDG&E for federal income tax purposes. [See "Federal Income Tax Consequences of the Merger" below.]

Except for SDG&E Common Stock, none of the securities of SDG&E, including SDG&E Cumulative Preferred Stock, SDG&E Preference Stock (Cumulative) and SDG&E's debt securities, will be changed by the Merger. The outstanding shares of SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) will continue to be outstanding shares of SDG&E. [See "Treatment of Preferred Stock" below.]

Reasons for the Restructuring

The principal reason for the proposed restructuring, including the formation of ParentCo, is to respond to the changing business environment in the electric and gas utility industries in a manner which management believes is in the best interests of the Shareholders and customers. The proposed restructuring will allow SDG&E to operate its regulated utility business efficiently while providing, through the structure of a holding company with other direct subsidiaries, an organization which permits separation of the other facets of the Company, as a diversified energy management company, from such regulated utility business.

For over a century, SDG&E has operated predominantly as a traditional utility, responsible for constructing and operating the generation, transmission and distribution facilities needed to serve its customers. However, both regulation of utilities and the markets which SDG&E has traditionally served are changing. As facets of the traditional utility business which were once regulated, such as electric generation, have become unregulated and competitive, the energy options for customers, particularly large industrial users of energy, are expanding.

Management believes that the corporate separation afforded by a holding company structure will permit the holding company, ParentCo, effectively to respond to increasing

competition in the energy business. Where a facet of the business, such as electric generation, becomes unregulated, that business can be separated from the core utility business of SDG&E, although remaining under the common ownership of ParentCo. Separation will facilitate the development of such unregulated businesses while insulating SDG&E from the risks associated with their activities. Following the Merger, any liabilities of the direct subsidiaries of ParentCo other than SDG&E will not constitute liabilities of SDG&E. Accordingly, any benefits or detriments of these subsidiaries will flow to the security holders of ParentCo and not to the security holders of SDG&E (i.e., holders of SDG&E

Cumulative Preferred Stock, SDG&E Preference Stock (Cumulative) and SDG&E's debt securities).

In 1994, the California Public Utilities Commission (the "CPUC") issued a proposal to restructure the California utility industry to allow for increased competition in certain facets of the utility business. In response to such proposal, SDG&E suggested consideration of the separation of its electric generation assets. SDG&E is currently evaluating such a separation and making preparations should the CPUC order it. Absent CPUC direction, a separation may nevertheless become expedient in view of evolving regulatory and market circumstances. Other facets of SDG&E's present business also may become future candidates for separation. Any separation of SDG&E assets and resources will be effected in compliance with applicable regulatory and security holder approval requirements, and the terms of any such separation will depend upon future conditions and the scope of involved assets and resources.

Separation of the competitive, unregulated facets of the energy business, as well as the diversified operations of SDG&E's present subsidiaries (Pacific Diversified Capital Company, Enova Corporation, Califia Company and Enova Energy Management, Inc.), from the core utility business of SDG&E will help to protect SDG&E's stability as viewed by sources of financing. Such stability is vital to avoid increased capital costs for SDG&E which would lead to higher utility rates. Accordingly, the holding company structure will support SDG&E's ability to continue efficiently meeting its customers needs while permitting the Company to respond to a changing business environment.

Management also believes that the holding company structure will permit the use of financing techniques that are more directly suited to the particular requirements, characteristics and risks of non-utility operations without any impact on the capital structure or credit of SDG&E. Management anticipates that (i) ParentCo, in addition to receiving dividends from SDG&E (and other direct subsidiaries of ParentCo), may obtain funds through debt or equity financings, (ii) SDG&E may obtain funds through its own financings (which may include the issuance of first mortgage bonds or preferred stock, as well as the issuance of additional shares of SDG&E Common Stock to ParentCo), and (iii) the non-utility businesses may obtain funds from ParentCo, from other non-utility affiliates or from their own outside financings. Any financings will depend upon the financial and other conditions of the entities involved and on market conditions.

The proposed restructuring provides for a holding company that will not be an operating utility. Neither ParentCo nor any securities it issues will be subject to the jurisdiction of the CPUC, the Federal Energy Regulatory Commission (the "FERC") or the Nuclear Regulatory Commission (the "NRC"), although, as the sole owner of SDG&E Common Stock, ParentCo

will be indirectly subject to such jurisdiction and, as a result of the process of obtaining approvals required to implement the restructuring, ParentCo likely will be subject to certain conditions imposed on its relationship with SDG&E. [See "Regulation" below.] The utility business of SDG&E will constitute the predominant part of ParentCo's earning power for the foreseeable future after the restructuring.

Following the restructuring, SDG&E will continue to operate as a public utility subject to the jurisdiction of the CPUC, the FERC and the NRC. The operations of SDG&E will continue to be conducted as they are at the present time, with the same assets and management. Management and the SDG&E Board of Directors believe that the restructuring will have no adverse effect on SDG&E, its continuing security holders or its customers.

Merger Agreement

The Merger Agreement has been approved by the Boards of Directors of SDG&E, ParentCo and MergeCo. Pursuant to the Merger Agreement, the following events will occur upon the effectiveness of the Merger:

- Each outstanding share of SDG&E Common Stock will be automatically converted into one share of ParentCo Common Stock.

- Each outstanding share of SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) will continue as one such issued and outstanding share, with the same voting powers, designations, preferences, rights, qualifications, limitations and restrictions, just as prior to the Merger.

- The outstanding shares of the common stock of MergeCo will be automatically converted into all of the issued and outstanding shares of SDG&E Common Stock, all of which will then be owned by ParentCo (with the effect that the number of issued and outstanding shares of SDG&E Common Stock immediately after the Merger will be the same as the number of issued and outstanding shares of SDG&E Common Stock immediately prior to the Merger).

- The shares of ParentCo Common Stock presently held by SDG&E will be canceled.

As a result, SDG&E, which will be the surviving corporation in the Merger, will become a subsidiary of ParentCo, and all of the ParentCo Common Stock outstanding immediately after the Merger will be owned by the holders of SDG&E Common Stock outstanding immediately prior to the Merger.

Promptly following the Merger, SDG&E will complete the restructuring by transferring the capital stock of SDG&E's present direct subsidiaries (Pacific Diversified Capital Company, Enova Corporation, Califia Company and Enova Energy Management, Inc.) to ParentCo.

Amendment or Termination

By mutual consent of their respective boards of directors, SDG&E, ParentCo and MergeCo may abandon the Merger or amend, modify or supplement the terms of the Merger Agreement in such manner as may be agreed upon by them in writing at any time before or after approval of the restructuring by the Shareholders. However, no such amendment, modification or supplement shall, if agreed to after such approval by the Shareholders, change any of the principal terms of the Merger Agreement. SDG&E will notify the Shareholders in the event of any material amendment, modification or supplement.

The Merger Agreement provides that it may be terminated, and the Merger abandoned, at any time, whether before or after approval of the restructuring by the Shareholders, by action of the SDG&E Board of Directors if such Board determines that the completion of the restructuring would for any reason be inadvisable or not in the best interests of SDG&E or its Shareholders. In making such determination, the SDG&E Board of Directors would consider, among other things, demands for cash payments, if any, made by holders of SDG&E Common Stock or SDG&E Cumulative Preferred Stock seeking to exercise statutory dissenters' rights under applicable California law (described below under "Rights of Dissenting Shareholders" below).

The SDG&E Board of Directors would be expected to terminate and abandon the restructuring, for example, if SDG&E has not received, within a reasonable period after Shareholder approval, the approval of the CPUC on terms which are satisfactory to the SDG&E Board of Directors. SDG&E is unable to predict under what other circumstances the restructuring might be terminated and abandoned.

Treatment of Preferred Stock

The proposed Merger and restructuring will not result in any change in SDG&E's two outstanding classes of preferred stock (SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative)). The decision of the SDG&E Board of Directors to have SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) continue as securities of SDG&E is based upon, among other things, a desire to avoid changing the nature of the investment represented by such stock, as well as the desire of SDG&E not to foreclose future issuances of preferred stock to help meet its capital requirements. SDG&E's debt securities also will not be altered in the Merger; rather, these securities will remain outstanding and will continue as obligations of SDG&E as the survivor of the Merger (in the case of SDG&E's first mortgage bonds, continuing to be secured by a first mortgage lien on the properties of SDG&E that are subject to such lien).

The utility operations of SDG&E presently constitute, and are expected to continue to constitute for the foreseeable future, the substantial majority of the affiliated group's consolidated assets and earning power. Accordingly, it is believed that SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) will retain their investment rating, as well as their qualification for legal investment, by remaining outstanding securities of SDG&E.

SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) will continue to rank senior to SDG&E Common Stock (all of which, after the Merger, will be held by ParentCo) as to dividends and as to the distribution of assets of SDG&E in the event of any liquidation of SDG&E. SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) are and will be unrelated in rank to ParentCo Common Stock or the common stock of other direct subsidiaries to be held by ParentCo (initially, Pacific Diversified Capital Company, Enova Corporation, Califia Company and Enova Energy Management, Inc.). Payment of dividends on ParentCo Common Stock will in large part depend on the earnings of SDG&E and payment of dividends on SDG&E Common Stock. SDG&E's Restated Articles will continue to provide that no dividends may be paid on SDG&E Common Stock unless dividends are current on SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative). Payment of any dividends on the common stock of any other direct subsidiaries held by ParentCo will be unaffected by any dividend payment or nonpayment on either SDG&E Cumulative Preferred Stock, SDG&E Preference Stock (Cumulative) or SDG&E Common Stock.

Separation from SDG&E of the assets and earnings of its non-utility subsidiaries will decrease the assets and may decrease the earnings of SDG&E, and will result in SDG&E's investment in these subsidiaries being no longer of potential benefit to holders of SDG&E Cumulative Preferred Stock, SDG&E Preference Stock (Cumulative) or SDG&E's debt securities

(i.e., any earnings of these subsidiaries will not be available to pay
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dividends, interest or principal with respect to such securities). However, the SDG&E Board of Directors believes that such holders will not be materially affected by the separation. SDG&E's net investment in its non-utility subsidiaries was approximately $106 million at September 30, 1994, representing approximately 7.2% of the SDG&E Common Stock shareholders' equity as of that date. If the separation of the non-utility subsidiaries had occurred on January 1, 1994, the net income (before SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) dividend requirements) of SDG&E for the nine months ended September 30, 1994 would have increased by approximately $62.3 million, or approximately 72.2%, and total assets would have decreased by approximately $454.1 million, or approximately 9.9%. However, such increase in net income reflected for SDG&E for the nine months ended September 30, 1994 had such separation occurred on January 1, 1994 is affected by a significant charge during such period for writedowns at the non-utility subsidiaries of approximately $67 million (related to non-earning assets - see "Pro Forma Financial Effects" below). In the absence of such writedowns, such net income would have decreased upon a separation by approximately $4.7 million, or approximately 3.1%.

The SDG&E Board of Directors believes that the separation will have no material adverse effect on SDG&E's utility operations or on its financial position or results of operations. Following the Merger, SDG&E will continue to be a reporting company under the Securities Exchange Act of 1934, as amended. While annual meetings of SDG&E shareholders are expected to continue to be held after the Merger, SDG&E may decide not to solicit proxies from holders of SDG&E Cumulative Preferred Stock or SDG&E Preference Stock (Cumulative) in connection with the election of directors and in connection with other matters requiring the approval of shareholders but not requiring a class vote of holders of SDG&E Cumulative Preferred Stock or SDG&E Preference Stock (Cumulative), since the shares of SDG&E

Common Stock owned by ParentCo will have sufficient voting power to take action without the vote of SDG&E Cumulative Preferred Stock or SDG&E Preference Stock (Cumulative).

Pro Forma Financial Effects

The following table summarizes certain pro forma financial effects of the restructuring as of September 30, 1994, for the nine months ended September 30, 1994, and for the year ended December 31, 1993, which, in the opinion of management, reflect all adjustments necessary for a fair presentation.

	SDG&E As Reported	SDG&E Pro Forma	Adjustments and Reclass-ifications/(1)/	ParentCo Consolidated Pro Forma
		(In Thousands of Dollars)		
Balance Sheets - as of September 30, 1994				
Assets				
Utility Plant - net	$3,134,811	$3,134,811	$ 0	$3,134,811
Investments and other property	460,473	232,103	228,370	460,473
Current assets	421,877	307,051	114,826	421,877
Construction funds, deferred charges and other assets	562,672	451,769	110,903	562,672
Total Assets	$4,579,833	$4,125,734	$ 454,099	$4,579,833
Capitalization and Liabilities				
Capitalization				
Common equity	$1,463,124	$1,357,148	$ 105,976	$1,463,124
Preferred stock	118,493	118,493	(118,493) /(2)/	0
Preferred stock of SDG&E			118,493 /(2)/	118,493
Long-term debt	1,337,996	1,220,448	117,548	1,337,996
Total Capitalization	2,919,613	2,696,089	223,524	2,919,613
Current liabilities	746,049	634,961	111,088	746,049
Deferred taxes and other liabilities	914,171	794,684	119,487	914,171
Total Capitalization and Liabilities	$4,579,833	$4,125,734	$ 454,099	$4,579,833

Statements of Income - Nine Months ended September 30, 1994/(3)/				
Operating Revenues	$1,458,884	$1,367,432	$ 91,452	$1,458,884
Operating Expenses	1,235,901	1,155,049	80,623	1,235,672
Operating Income	222,983	212,383	10,829	223,212
Other Income (Deductions)	(59,733)	3,889	(63,851)	(59,962)
Interest Charges	76,884	67,580	9,304	76,884
Preferred Dividend Requirements of SDG&E..			5,747/(2)/	5,747
Net Income	86,366	148,692	(68,073)	80,619
Preferred Dividend Requirements	5,747	5,747	(5,747)/(2)/	0
Earnings Applicable to Common Shares	$ 80,619	$ 142,945	$(62,326)	$ 80,619
Statements of Income - Year ended December 31, 1993				
Operating Revenues	$1,980,115	$1,861,266	$118,849	$1,980,115
Operating Expenses	1,686,441	1,573,052	113,389	1,686,441
Operating Income	293,674	288,214	5,460	293,674
Other Income	26,340	19,081	7,259	26,340
Interest Charges	101,299	91,423	9,876	101,299
Preferred Dividend Requirements of SDG&E..			8,565 /(2)/	8,565
Net Income	218,715	215,872	(5,722)	210,150
Preferred Dividend Requirements	8,565	8,565	(8,565)/(2)/	0
Earnings Applicable to Common Shares	$ 210,150	$ 207,307	$ 2,843	$ 210,150

(1) Pro forma SDG&E amounts have been adjusted to eliminate subsidiaries to be transferred to ParentCo.

(2) Pro forma amounts assume no exercise of preferred stockholders' dissenters' rights. Preferred stock of SDG&E and related dividends have been reclassified.

(3) Includes charges of approximately $80 million for SDG&E (as reported, or ParentCo on a consolidated pro forma basis), or $0.68 per common share, for writedowns related to non-earning assets of SDG&E (on a pro forma basis -- approximately $13 million) and non-SDG&E subsidiaries of ParentCo (approximately $67 million).

Dividend Policy

It is anticipated that quarterly dividends on ParentCo Common Stock will commence at a rate equal to that currently being paid on SDG&E Common Stock, and will be paid on approximately the same dates in each year as dividends on SDG&E Common Stock have been paid. The quarterly dividend most recently declared by the SDG&E Board of Directors was $0.38 per share of SDG&E Common Stock payable on January 15, 1995 to holders of record on December 10, 1994. The rate and timing of dividends of ParentCo will depend upon the earnings, financial condition and dividend restrictions of ParentCo and its subsidiaries, including SDG&E, and upon other factors affecting dividend policy which are not presently determinable.

Initially, the funds required by ParentCo to enable it to pay dividends on ParentCo Common Stock are expected to be derived primarily from dividends paid by SDG&E on SDG&E Common Stock. It is anticipated that such cash dividends paid by SDG&E to ParentCo will be sufficient, together with any amounts provided by other subsidiaries of ParentCo, to enable ParentCo to pay cash dividends on ParentCo Common Stock and to meet operating and other expenses. However, the dividend policy of SDG&E will be established by SDG&E's Board of Directors as though SDG&E were a stand-alone utility, and the amounts of dividends declared and paid by SDG&E will be subject to the availability of earnings and the needs of the utility business, as well as CPUC requirements. In addition, the ability of SDG&E to pay dividends on SDG&E Common Stock to ParentCo will be subject to the prior dividend rights of SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative), to restrictions contained in the indenture supporting SDG&E's first mortgage bonds and other agreements to which SDG&E is or may become a party, and to requirements of California law.

Payment of dividends on SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) is anticipated to continue at the specified rates without interruption or change; however, the payment of these dividends is also dependent upon the earnings and financial condition of, and other factors affecting, SDG&E.

Directors and Management of ParentCo and SDG&E

The Directors of SDG&E will also be the Directors of ParentCo after the completion of the restructuring. In approving the Merger Agreement and the proposed formation of a holding company, Shareholders will be considered also to have ratified the election of these persons as Directors of ParentCo (as well as ratifying the establishment of a classified Board for ParentCo and the inclusion of certain Directors within the various classes as set forth below (see "Articles of Incorporation and Bylaws of ParentCo--Elections: Classified Board of Directors"). At annual meetings of ParentCo subsequent to the Merger, persons may be nominated for election as Directors of ParentCo who will not be members of the SDG&E Board of Directors.

The following persons, each of whom is currently an executive officer of SDG&E, will hold, at least initially, in addition to the office or offices held with SDG&E, the offices of ParentCo indicated below:

Name	Office
Thomas A. Page	Chairman of the Board, President and Chief Executive Officer
Stephen L. Baum	Executive Vice President
Donald E. Felsinger	Executive Vice President and Chief Financial Officer
Nad A. Peterson	Senior Vice President, General Counsel and Secretary
Frank H. Ault	Vice President, Controller

Initially, ParentCo will not have full-time officers and employees of its own. To the extent, however, that the activities of ParentCo expand, ParentCo may employ full-time salaried officers and employees. ParentCo and SDG&E each expect, from time to time, to render to the other certain services and to make available the use of certain facilities and equipment. The corporation receiving such services or using such facilities and equipment will reimburse the other corporation for the cost or fair market value thereof, as appropriate.

Articles of Incorporation and Bylaws of ParentCo

The articles of incorporation of ParentCo, as they shall be amended and restated prior to the effectiveness of the Merger (the "ParentCo Articles"), have been prepared in accordance with the California General Corporation Law (the "California GCL") and give ParentCo broad corporate powers to engage in any lawful activity for which a corporation may be formed under the laws of the State of California. The following statements summarize certain relevant provisions of the ParentCo Articles. This summary should be read in the context of, and is qualified by reference to, (i) the full ParentCo Articles, a copy of which is attached to this Proxy Statement and Prospectus as Exhibit B, and (ii) the laws of the State of California.

The ParentCo Articles contain certain provisions which are similar to the SDG&E Restated Articles; however, aside from the deletion of certain provisions which are obsolete or unnecessary or which specifically concern SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative), there are certain distinctions which are noted below. Shareholders should be aware that one effect of these distinct provisions of the ParentCo Articles may be to delay and thus make more difficult a change in the composition of the ParentCo Board of Directors as compared with the SDG&E Board of Directors, or the removal of existing management, even in circumstances where a majority of the shareholders of ParentCo may be dissatisfied with the performance of the incumbent Directors or otherwise desire to make changes.

Analysis of distinctions in the ParentCo Articles should be tempered, however, by reference to SDG&E's status as a substantially regulated entity (see "Regulation" below). For example,

changes in control of SDG&E typically would be subject to CPUC review and approval. Accordingly, while certain provisions of the ParentCo Articles may have the effect of making changes in Board composition and management subject to delay and thus more difficult, the transition from holding stock in a regulated utility to holding stock in ParentCo may have the effect of lessening other restrictions (e.g., certain regulatory reviews of a change in control) affecting a shareholder's ability to influence corporate policy and control.

Capital Stock

The ParentCo Articles authorize the issuance of 300 million shares of ParentCo Common Stock and 30 million shares of preferred stock of ParentCo (the "ParentCo Preferred Stock"). Immediately after the Merger, ParentCo will have approximately 116,541,000 shares of ParentCo Common Stock and no shares of ParentCo Preferred Stock outstanding. Under California law, shares of ParentCo Common Stock and ParentCo Preferred Stock may be issued by ParentCo from time to time upon such terms and for such consideration (and, as to Preferred Stock, having such rights, preferences, privileges and restrictions) as may be determined by the ParentCo Board of Directors. Such further issuances, up to the aggregate amounts authorized by the ParentCo Articles, will not require authorization from the CPUC or approval by the shareholders. ParentCo may issue ParentCo Common Stock from time to time pursuant to common stock investment and employee benefit plans (see "Common Stock Investment and Employee Benefit Plans" below). Aside from these plans, there presently are no intentions to offer or sell shares of ParentCo Preferred Stock or additional shares of ParentCo Common Stock. Under current provisions of the Public Utility Holding Company Act of 1935, as amended (the "Holding Company Act"), and the rules and regulations thereunder, issuance of ParentCo Preferred Stock may be restricted.

Holders of ParentCo Common Stock, subject to any prior rights or preferences of ParentCo Preferred Stock outstanding, (i) have equal rights to receive dividends if and when declared by the ParentCo Board of Directors out of funds legally available therefor and (ii) will receive any distribution made to shareholders upon liquidation. ParentCo Common Stock has no preemptive rights to subscribe for additional shares of ParentCo Common Stock or other securities of ParentCo, nor does it have any redemption or conversion rights. ParentCo Common Stock has voting rights on the basis of one vote per share. Any series of ParentCo Preferred Stock issued by ParentCo will have such voting rights as may be determined by the ParentCo Board of Directors at the time of issuance; however, the present policies of the national stock exchanges against issuances of stock with disparate voting rights may serve to limit ParentCo's issuances of any ParentCo Preferred Stock with enhanced voting rights.

Number of Directors

The California GCL allows the number of persons constituting the board of directors of a corporation to be fixed by the bylaws or the articles of incorporation, or permits the bylaws to provide that the number of directors may vary within a specified range, the exact number to be determined by the board of directors. The California GCL further provides that, in the case of a variable board, the maximum number of directors may not exceed two times the minimum number minus one. The bylaws of SDG&E (the "SDG&E Bylaws") provide for a Board of

Directors that may vary between seven (7) and thirteen (13) members, inclusive, and the SDG&E Board of Directors has presently fixed the exact number of directors at ten (10). The SDG&E Bylaws permit the range of directors, and the precise number within such range, to be modified by a majority of the outstanding SDG&E shares entitled to vote.

The ParentCo Articles provide that the number of directors of ParentCo shall not be fewer than nine (9) nor more than thirteen (13), with the exact number to be determined by the ParentCo Board of Directors or by a bylaw or an amendment thereof adopted by a vote of the holders of shares representing at least 66-2/3% of the outstanding shares of ParentCo entitled to vote. The ParentCo Board is presently fixed at ten (10), and its membership is identical to the SDG&E Board of Directors. The ParentCo Articles also provide that the range of directors, and the precise number within such range, may be modified by a vote of the holders of at least 66-2/3% of the outstanding ParentCo shares. ParentCo has no current intention of changing the number of directors of ParentCo if the Merger is consummated.

Cumulative Voting

Under cumulative voting, each share of stock entitled to vote in an election of directors has such number of votes as is equal to the number of directors to be elected. A shareholder may then cast all of his or her votes for a single candidate or may allocate them among as many candidates as the shareholder may choose. As a result, shareholders holding a significant minority percentage of the outstanding shares entitled to vote in an election of directors may be able to effect the election of one or more directors. If cumulative voting is available, then it is mandatory upon timely notice given by any shareholder at a meeting at which directors are to be elected.

The SDG&E Bylaws provide for the elimination of cumulative voting, as do the ParentCo Articles. Thus, the holder or holders of shares representing a majority of the votes entitled to be cast in an election of directors for ParentCo will be able to elect all directors then being elected. The absence of cumulative voting could have the effect of preventing representation of minority shareholders on the ParentCo Board of Directors.

Elections: Classified Board of Directors

The California GCL generally requires that directors be elected annually but does permit a "classified" board of directors if a corporation either (i) has outstanding securities listed on the New York Stock Exchange (the "NYSE") or the American Stock Exchange (the "AMEX") or (ii) has securities designated for trading as a National Market System security on the National Association of Security Dealers Automatic Quotation ("Nasdaq") and at least 800 shareholders (including record and beneficial owners) (collectively, "Listed Corporations"). SDG&E is a Listed Corporation and ParentCo will, upon the effectiveness of the Merger or promptly thereafter, be a Listed Corporation. SDG&E's Restated Articles currently do not provide for a classified board.

The ParentCo Articles provide that, upon ParentCo's attainment of status as a Listed Corporation (i.e., upon the effectiveness of the Merger
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or promptly thereafter), the ParentCo

Board of Directors will become a classified board with three classes of directors, with members of one class to be elected each year for a maximum term of three years. By approving the Merger Agreement and the proposed formation of a holding company, Shareholders will be ratifying the election of the Directors to the following classes of the ParentCo Board in the event the Merger is consummated:

(1) Class I (with terms expiring at the next annual meeting): [_____, _____ and _____];

(2) Class II (with terms expiring at the annual meeting following the next annual meeting): [_____, _____ and _____]; and

(3) Class III (with terms expiring at the annual meeting following the two next annual meetings): [_____, _____, _____ and _____].

With a classified board, unless adequate cause for removal of directors exists, at least two annual meetings of shareholders would be required for a majority of the shareholders comprising less than a 66-2/3% majority to make a change in control of the ParentCo Board of Directors, since only a minority of the directors will be elected at each meeting.

Actions by Written Consent

The California GCL permits shareholders, unless specifically prohibited by the articles of incorporation, to take action without a meeting by the written consent of the holders of at least the number of shares necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. SDG&E's Restated Articles do not restrict shareholder action by written consent. Action by written consent may, in some circumstances, permit the taking of shareholder action opposed by the Board of Directors more rapidly than would be possible if a meeting of shareholders were required.

In connection with its evaluation of the restructuring, the Board has determined that it is important that it be able to give advance notice of and consideration to any action to be voted on by shareholders, and that all shareholders be able to discuss at a meeting matters which may affect their rights. Accordingly, the ParentCo Articles eliminate actions by written consent of shareholders unless either (i) the Board waives the prohibition in a particular circumstance or (ii) the action is by the unanimous written consent of all shareholders.

Fair Price Provisions

The ParentCo Articles contain "fair price" provisions which are substantially similar to those contained in SDG&E's Restated Articles. These provisions are intended to reduce the possibility of unfair treatment of shareholders in takeover situations.

Indemnification Provisions

The ParentCo Articles contain provisions regarding the indemnification of directors, officers and other agents of ParentCo which are substantially similar to provisions contained in SDG&E's Restated Articles.

Amendment of Articles

Except for the fair price provisions contained in SDG&E's Restated Articles (for which amendment requires a 66-2/3% shareholder vote), the SDG&E Restated Articles may be amended by the approval of the holders of shares having a majority of the votes entitled to be cast for such amendment. The ParentCo Articles provide that the provisions relating to (i) indemnification of officers and directors, (ii) the number of directors, classification of the board and the election of directors (including the limitation on cumulative voting), (iii) the limitation on action of shareholders by written consent, (iv) the fair price provisions and (v) amendment of the bylaws of ParentCo (the "ParentCo Bylaws") can only be amended by a vote of the holders of shares representing at least 66-2/3% of the outstanding shares of ParentCo entitled to vote.

Amendment of Bylaws

The SDG&E Bylaws may be amended or repealed either by the SDG&E Board of Directors or by the holders of shares having a majority of the votes entitled to be cast for such amendment. The ParentCo Articles provide that (1) upon a vote of at least 66-2/3% of the authorized number of directors, the ParentCo Board of Directors will be able to adopt, amend or repeal any of the ParentCo Bylaws, and (2) the ParentCo Bylaws may also be adopted, amended or repealed by a vote of the holders of shares representing at least 66-2/3% of the outstanding shares of ParentCo entitled to vote.

The ParentCo Bylaws initially will be substantially similar to the SDG&E Bylaws.

Listing of ParentCo Common Stock

ParentCo has applied to list ParentCo Common Stock on the NYSE and on the Pacific Stock Exchange (the "PSE"). It is expected that such listings will occur on, or soon after, the effective date of the Merger. At the time of the listing of ParentCo Common Stock, SDG&E Common Stock will then be delisted from trading on these stock exchanges (all outstanding shares will then be held by ParentCo). Shares of SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative) that are listed on the AMEX and the PSE will continue to be so listed.

Transfer Agent and Registrar

It is expected that the transfer agent for and the registrar of ParentCo Common Stock will be the same as is presently serving in such capacities for SDG&E Common Stock: First Interstate Bank of California.

Common Stock Investment and Employee Benefit Plans

If the Merger is completed, SDG&E's Common Stock Investment Plan will be assumed and continued by ParentCo on and after the effective date of the Merger, so that shares of ParentCo Common Stock thereafter will be available to the holders of ParentCo Common Stock and the customers of SDG&E on the same terms as provided in SDG&E's Common Stock Investment Plan.

If the Merger is completed, SDG&E's Savings Plan and 1986 Long-Term Incentive Plan will be amended, as and when appropriate, to provide for the acquisition of ParentCo Common Stock rather than SDG&E Common Stock. Such plans, as well as the Pension Plan and other employee benefit plans of SDG&E (collectively, the "Employee Benefit Plans"), also will be amended, as and when appropriate, to include eligible employees of ParentCo and the subsidiaries of ParentCo other than SDG&E and to make any other changes necessary or appropriate as a result of the formation of a holding company and the related restructuring.

By approving the Merger Agreement and the proposed formation of a holding company, the Shareholders will be deemed to have approved the actions to be taken in connection therewith and with the Employee Benefit Plans, including any amendments to the Employee Benefit Plans necessary to accomplish those actions.

Regulation

As a utility, SDG&E is subject to the jurisdiction of the CPUC with respect to rates for retail sales, standards of service, issuances of securities and certain other matters. SDG&E is also subject to the jurisdiction of (i) the FERC, with respect to certain phases of its electric business, including rates for sales at wholesale, rates for transmission, interconnections with other electric utilities and accounting, and (ii) the NRC, with respect to SDG&E's partial ownership of and co-licensee status as to the San Onofre nuclear generating facilities. The formation of a holding company, the Merger and the related restructuring will not change the applicability of such regulatory jurisdiction to SDG&E. Moreover, SDG&E must obtain authorization from the CPUC, the FERC and the NRC to implement the restructuring. An application for authorization from the CPUC was filed on November 7, 1994, and SDG&E subsequently filed for approvals from the FERC and the NRC.

So long as ParentCo is not a public utility or the owner or licensee of nuclear generating facilities, it will not be subject to regulation by the CPUC, the FERC or the NRC, except to the extent of the conditions imposed by the orders of those bodies authorizing the formation of a holding company structure or approving aspects of the related restructuring. It is anticipated that CPUC authorization may include conditions, among others, which will be designed to (i) ensure that all costs incurred by SDG&E which result from the activities undertaken by SDG&E's affiliates will be fully recovered from such affiliates, (ii) provide the CPUC with access to all information necessary to analyze SDG&E's costs and monitor the relationships between SDG&E and its non-utility affiliates, (iii) ensure that SDG&E's customers will be insulated from effects of non-utility activities, and (iv) protect the financial health of SDG&E's

utility operations. SDG&E will continue to be subject to CPUC regulation of its operations, including its dealings with ParentCo.

ParentCo believes that it will be entitled to an exemption from all provisions, except Section 9(a)(2), of the Holding Company Act. This will occur upon completion of the Merger and related restructuring and the filing of an appropriate exemption statement pursuant to the provision of the Holding Company Act. It will be necessary to file an annual exemption statement each year after that. The basis of this exemption is that ParentCo and SDG&E are incorporated in the same state and their business is predominately intrastate in character and carried on substantially in the state of incorporation. This exemption is available only so long as the utility business of SDG&E is primarily intrastate in nature and may be revoked on a finding by the Securities and Exchange Commission (the "SEC") that such exemption may be detrimental to the public interest or the interest of investors or consumers. The prior approval of the SEC under Section 9(a)(2) of the Holding Company Act would be required, however, if ParentCo proposed the acquisition, directly or indirectly, of additional utility subsidiaries. ParentCo has no present intention of becoming a registered holding company subject to regulation by the SEC under the Holding Company Act.

Conditions Precedent to the Merger

The Merger Agreement provides that consummation of the Merger is subject to approval of the principal terms of the Merger Agreement by the shareholders of SDG&E, ParentCo and MergeCo, as more fully set forth below under "Required Vote" below. If the required votes of the Shareholders of SDG&E are obtained, SDG&E will then cause the shares of ParentCo and MergeCo to be voted in favor of the Merger.

In addition, the Merger is also subject to (i) approval of the principal terms of the Merger by the CPUC upon terms and conditions which are satisfactory to the SDG&E Board of Directors and (ii) approval by the NYSE of ParentCo Common Stock for listing upon official notice of issuance.

Effective Date of the Merger

The Merger Agreement provides that the Merger will be effective at the end of the last day of the calendar month during which the Merger Agreement and related officers' certificates are filed with the California Secretary of State as provided in Section 1103 of the California GCL. Management anticipates that the effective date will occur prior to or on September 30, 1995, although there can be no assurance (e.g., due to
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delays which may occur in seeking approval from the CPUC or acceleration of that process) that the effective date will not occur prior to or subsequent to that date. All other steps in the restructuring plan will be completed upon such effectiveness or promptly thereafter.

Required Vote

Under California law and SDG&E's Restated Articles, approval of the Merger Agreement and the proposed formation of a holding company will require the favorable vote of (1) a majority of the outstanding shares of SDG&E Common

Stock and (2) a majority of the outstanding shares of the combined classes of SDG&E Common Stock and SDG&E Cumulative Preferred Stock, with each share of SDG&E Common Stock being entitled to one vote and each share of SDG&E Cumulative Preferred Stock being entitled to two votes. In addition, the Merger Agreement provides that consummation of the Merger is conditioned upon approval by a two-thirds majority of the outstanding shares of the combined classes of SDG&E Cumulative Preferred Stock and SDG&E Preference Stock (Cumulative), with each share being entitled to one vote.

An abstention, or shares represented by proxies which are marked "ABSTAIN," as well as the failure of a broker or other nominee to vote shares for a beneficial owner will have the same effect as a vote against the Merger Agreement and the proposed formation of a holding company.

Rights of Dissenting Shareholders

The rights of Shareholders who dissent with respect to the Merger are governed by Chapter 13, Sections 1300-1312 ("Chapter 13"), of the California GCL, the text of which is set forth as Exhibit C to this Proxy Statement. The description of dissenters' rights in this Proxy Statement is qualified in its entirety by reference to Chapter 13 of the California GCL.

If the Merger is completed, certain of the Shareholders who object to the Merger and who have fully complied with all applicable provisions of Chapter 13 of the California GCL will have the right to require SDG&E to purchase their shares for cash at the fair market value of such shares as of the close of business on November 4, 1994, the business day before the terms of the Merger were first announced, excluding any appreciation or depreciation because of the proposed Merger. [See "Market Values of Stock" below.] Persons who are beneficial owners of shares of SDG&E but whose shares are held by another person, such as a broker or nominee, should instruct the record holder to follow the procedures outlined below if such persons wish to dissent with respect to any or all of their shares.

The procedural requirements to be complied with differ in some respects depending upon whether or not the shares at issue are listed on either (i) a national securities exchange certified by the California Commissioner of Corporations or (ii) the list of OTC margin stocks issued by the Board of Governors of the Federal Reserve System. The only class of shares eligible to be dissenting shares which is not so listed (the "Unlisted Shares") is the SDG&E Cumulative Preferred Stock, 4.60% Series. The classes of shares eligible to be dissenting shares which are so listed (the "Listed Shares") are (1) all series of SDG&E Cumulative Preferred Stock other than the Unlisted Shares and (2) SDG&E Common Stock. Holders of shares of SDG&E Preference Stock (Cumulative) are not entitled to have SDG&E purchase their shares.

Unlisted Shares must be purchased by SDG&E upon compliance by any holder with all applicable requirements. Listed Shares must also be purchased by SDG&E if all applicable requirements are complied with, but only if (a) demands for payment are filed with respect to five percent (5%) or more of the outstanding shares of such class (with shares of SDG&E Common Stock treated as one single class for such purposes and all shares of SDG&E Cumulative Preferred Stock, other than the Unlisted Shares, treated as another single class), or (b) the shares are subject to a restriction on transfer imposed by SDG&E or by any law or

regulation. In this regard, SDG&E is not aware of any restriction on transfer except restrictions that may be imposed upon Shareholders who are deemed to be "affiliates" of SDG&E (as that term is defined in Rule 144 adopted by the SEC under the Securities Act of 1933, as amended (the "Securities Act")) and/or those who received shares in private transactions exempt from the registration requirements of the Securities Act. SDG&E urges any Shareholder believing there is any such restriction affecting his or her shares to consult with his or her own legal counsel as to the nature and extent of any dissenters' rights he or she may have.

The different procedures for security holders wishing to dissent under Chapter 13 of the California GCL with respect to Listed Shares and Unlisted Shares are summarized below.

Unlisted Shares

Assuming SDG&E elects to proceed with the Merger (see "Amendment or Termination" above), within ten days after approval of the Merger by the Shareholders SDG&E will notify all holders of Unlisted Shares who did not vote in favor of the Merger of the approval. SDG&E will offer all such holders a cash price for their shares that SDG&E considers to be the fair market value (as described above) of the shares. The notification will also contain a brief description of the procedures to be followed under Chapter 13 of the California GCL (and a copy of it) in order for a holder of Unlisted Shares to exercise his or her rights to have SDG&E purchase such shares. These procedures include the following requirements:

(1) The holder of record must not have voted the shares in favor of the Merger. The holder may, however, have abstained from voting without losing the right to have SDG&E purchase his or her shares. The holder may also have voted some of his or her shares in favor of the Merger without losing rights as to shares not voted in favor of the Merger.

(2) Any such holder who wishes to have SDG&E purchase his or her shares that were not voted in favor of the Merger must make a written demand to have SDG&E purchase the shares for their fair market value. The demand must include the information specified below and must be received by SDG&E or its transfer agent within 30 days after the date on which notice of approval of the Merger is mailed by SDG&E to the holder. [See "Demand for Purchase" below.]

Listed Shares

For a holder of Listed Shares to exercise the right to have SDG&E purchase his or her shares, the procedures to be followed under Chapter 13 of the California GCL include the following requirements:

(1) The holder of record must have voted the shares against the Merger. It is not sufficient to abstain from voting. However, the holder may vote part of his or her shares in favor of the Merger or abstain from voting part of his or her shares

without losing the right to have SDG&E purchase those shares which were voted against the Merger.

(2) Any such holder who voted against the Merger, and who wishes to have SDG&E purchase his or her shares that were voted against the Merger, must make a written demand to have SDG&E purchase the dissenting shares for their fair market value. The demand must include the information specified below and must be received by SDG&E or its transfer agent not later than the date of the Special Meeting at which the Merger is approved. [See "Demand for Purchase" below.]

Assuming SDG&E elects to proceed with the Merger (see "Amendment or Termination" above), within ten days after approval of the Merger by SDG&E's shareholders, SDG&E will notify any holders of Listed Shares who voted against the Merger and made a timely demand for purchase (and who are entitled to require SDG&E to purchase their shares because either (1) holders of five percent (5%) or more of the outstanding shares of the relevant class filed notices by the date of the Special Meeting or (2) the shares are restricted as to transfer) of the approval and will offer all of these holders a cash price for their shares which SDG&E considers to be the fair market value (as described above) of the shares. The notification will also contain a brief description of the procedures to be followed under Chapter 13 of the California GCL (and a copy of it) in order for a holder of Listed Shares to exercise his or her right to have SDG&E purchase such shares.

Demand for Purchase

Merely voting or delivering a proxy directing a vote against approval of the Merger does not constitute a demand for purchase. A written demand is required. In all cases, the written demand must:

(1) Be made by the person who was the holder of record on the Record Date (or his or her duly authorized representative) and not by someone who is merely a beneficial owner of the shares or a holder who acquired the shares subsequent to the Record Date;

(2) State the number and class of dissenting shares;

(3) Include an offer to sell the shares to SDG&E at what the holder believes to be the fair market value of the shares on November 4, 1994, the business day before the terms of the Merger were first announced, excluding any appreciation or depreciation because of the proposed Merger.

In addition, the following conditions apply:

(a) The demand should be sent by registered or certified mail, return receipt requested.

(b) The demand must be signed by the holder of record (or his or her duly authorized representative) exactly as his or her name appears on the form of proxy accompanying his or her copy of this Proxy Statement and Prospectus.

(c) A demand regarding shares owned jointly by more than one person must identify and be signed by all such holders.

(d) Any person signing a demand in any representative capacity (such as attorney-in-fact, executor, administrator, trustee or guardian) must indicate his or her title and, if SDG&E so requests, must furnish written proof of his or her capacity and authority to sign the demand.

A demand for payment may not be withdrawn without the consent of SDG&E.

Other Requirements

Within 30 days after the date on which notice of approval of the Merger is mailed by SDG&E to appropriate Shareholders, a holder's certificates, representing any shares which the holder demands that SDG&E purchase, must be submitted to SDG&E at its principal offices or to SDG&E's transfer agent to be endorsed with a statement that the shares are dissenting shares. Upon subsequent transfer of these endorsed shares, the new certificates will be similarly endorsed.

If SDG&E and a Shareholder fail to agree on either the fair market value of the shares or on the eligibility of the shares to be purchased by SDG&E, then either the Shareholder or SDG&E may file a complaint for judicial resolution of the dispute. The complaint must be filed within six months after the date on which the notice of approval is mailed to Shareholders. If a complaint is not filed within such six-month period, the shares will lose their eligibility for status as dissenting shares. Two or more dissenting Shareholders may join as plaintiffs or be joined as defendants in such an action. If the fair market value of the shares is in dispute, the court shall determine, or shall appoint one or more impartial appraisers to assist in its determination of, the fair market value. The costs of the action will be assessed or apportioned as the court considers equitable, but if the fair market value is determined to exceed the price offered by SDG&E, then SDG&E will be required to pay such costs. Under certain circumstances, SDG&E may also be required to pay attorneys' fees and certain other costs.

Any demands, notices or other documents required to be sent to SDG&E may be sent to it at 101 Ash Street, P.O. Box 1831, San Diego, California 92112-4150. Any demands, notices or other documents required to be sent to a transfer agent may be sent to First Interstate Bank of California at either (i) Stock Transfer Department, P.O. Box 54261, Los Angeles, California 90054 or (ii) 120 Broadway, 13th Floor, New York, New York 10271.

As mentioned above, under the Merger Agreement the SDG&E Board of Directors has the right to abandon the Merger for any reason (even after Shareholder approval), and that right may be exercised if the aggregate cost of purchasing dissenting shares is not acceptable. In such case, SDG&E will not be obligated to purchase any dissenting shares but may be required

to pay necessary expenses and reasonable legal fees of Shareholders who have in good faith commenced proceedings to enforce their dissenters' rights.

Market Values of Stock

The market values of the various classes and series of capital stock of SDG&E on November 4, 1994 (the business day immediately preceding public announcement of the terms of the proposed Merger) were:

Title of Class/Series	Market Value Per Share
Common Stock	$19.625
Cumulative Preferred Stock:	
5% Series	11.25
4 1/2% Series	10.25
4.40% Series	10.125
4.60% Series/(1)/	--
Preference Stock (Cumulative):	
$7.20 Series	85.00
$1.70 Series/(1)/	--
$1.82 Series	22.50
$1.7625 Series/(1)/	--

(1) Not listed or publicly traded. No market value is available.

There is no public market as yet for ParentCo Common Stock.

Exchange of Stock Certificates Not Required

If the proposed restructuring is carried out, it will not be necessary for holders of SDG&E Common Stock to exchange their existing stock certificates for stock certificates of ParentCo. Holders of SDG&E Common Stock will automatically become holders of ParentCo Common Stock on a share-for-share basis, and the present stock certificates for SDG&E Common Stock will automatically represent shares of ParentCo Common Stock.

After the restructuring, as presently outstanding certificates are presented for transfer, new certificates bearing the name of SDO Parent Co., Inc. (or a name which may be substituted for SDO Parent Co., Inc. prior to consummation of the Merger) will be issued. New certificates of ParentCo will also be issued in exchange for old certificates of SDG&E upon the request of any Shareholder. Certificates presented for transfer to a name other than that in which the surrendered certificate is registered must be properly endorsed, with the signature guaranteed, and accompanied by evidence of payment of any applicable stock transfer taxes.

Federal Income Tax Consequences of the Merger

SDG&E and ParentCo have been advised by their counsel, Pillsbury Madison & Sutro, that:

(1) No gain or loss will be recognized by the holders of shares of SDG&E Common Stock on the receipt of shares of ParentCo Common Stock solely in exchange for shares of SDG&E Common Stock.

(2) The basis of shares of ParentCo Common Stock received by the holders of shares of SDG&E Common Stock will be the same as the basis of the shares of SDG&E Common Stock exchanged for them.

(3) As to each holder of shares of SDG&E Common Stock who held his or her shares as a capital asset, the holding period of shares of ParentCo Common Stock will include the holding period of the shares of SDG&E Common Stock exchanged for them.

(4) No gain or loss will be recognized by ParentCo upon the issuance of shares of ParentCo Common Stock in exchange for shares of SDG&E Common Stock.

The advice of Pillsbury Madison & Sutro summarized above is conditioned on the receipt by SDG&E of a private letter ruling from the Internal Revenue Service to the effect that (i) the formation of MergeCo and the Merger will be disregarded for federal income tax purposes, and (ii) the transaction will be treated as a transfer by the holders of SDG&E Common Stock of such SDG&E Common Stock to ParentCo solely in exchange for an equal number of shares of ParentCo Common Stock. SDG&E has applied for, but not yet received, such a ruling. SDG&E reserves the right to proceed with the Merger and related restructuring in the absence of such a ruling if, in the opinion of SDG&E's management, all necessary approvals in connection with the Merger have been obtained and SDG&E's counsel removes receipt of such a ruling as a condition to its opinion.

Holders of SDG&E Common Stock or SDG&E Cumulative Preferred Stock who contemplate dissenting from the Merger should consult with their tax advisors concerning the tax consequences of that action.

The foregoing discussion does not cover the tax consequences of the Merger for Shareholders under state income or other tax laws. Each Shareholder is urged to consult with his or her own tax advisor with respect to the effects of such laws.

Legal Opinion

Pillsbury Madison & Sutro, as counsel for SDG&E and ParentCo, has rendered an opinion (filed as an exhibit to the registration statement of which this Proxy Statement and Prospectus is a part) to the effect that the ParentCo Common Stock offered in this Proxy Statement and Prospectus will be validly issued, fully paid and nonassessable.

Experts

The consolidated financial statements and the related financial statement schedules as of December 31, 1993 and 1992 and for each of the three years in the period ended December 31, 1993, incorporated in this Proxy Statement and Prospectus by reference from the Company's Annual Report on Form 10-K, as amended, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference (which report expresses an unqualified opinion and contains an explanatory paragraph referring to the Company's consideration of alternative strategies for its 80 percent owned subsidiary, Wahlco Environmental Systems, Inc.), and has been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

Proxy Solicitations

In addition to the original solicitation by mail, some of the officers and regular employees of SDG&E may solicit proxies by personal calls, telephone or mail without receiving compensation in addition to their regular salaries. SDG&E anticipates that the expense associated with these solicitation efforts will be nominal. SDG&E will reimburse brokerage firms and other securities' custodians for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of stock.

SDG&E has also retained Georgeson & Co., Inc., a proxy solicitation firm, to assist in the solicitation of proxies at an estimated cost of $12,000 plus disbursements. All costs associated with this solicitation will be borne by SDG&E.

By order of the Board of Directors
N. A. Peterson
Senior Vice President,
General Counsel and Secretary

San Diego, California
[_____ __], 1995

Exhibit A

AGREEMENT OF MERGER

THIS AGREEMENT OF MERGER ("Agreement") is made as of [_____ __], 1995, by and among SAN DIEGO GAS & ELECTRIC COMPANY, a California corporation ("SDG&E"), SAN DIEGO MERGER COMPANY, a California corporation ("MergeCo"), and SDO PARENT CO., INC., a California corporation ("ParentCo"), with reference to the following facts:

A. SDG&E has authorized capital consisting of (i) 255 million shares of Common Stock, without par value ("SDG&E Common Stock"), of which approximately 116,541,000 shares are issued and outstanding; (ii) 1,375,000 shares of Cumulative Preferred Stock, $20 par value ("Cumulative Preferred Stock"), of which 1,374,650 shares (consisting of four separate series) are issued and outstanding; and (iii) 10 million shares of Preference Stock (Cumulative), without par value ("Preference Stock"), of which 3,190,000 shares (consisting of four separate series) are issued and outstanding.

B. MergeCo has authorized capital consisting of 1000 shares of Common Stock ("MergeCo Common Stock"), of which 100 shares are issued and outstanding and owned beneficially and of record by ParentCo.

C. ParentCo has authorized capital consisting of 300 million shares of Common Stock ("ParentCo Common Stock"), of which 100 shares are issued and outstanding and owned beneficially and of record by SDG&E, and 30 million shares of Preferred Stock, none of which have been issued.

D. The Boards of Directors of the respective parties hereto deem it advisable to merge MergeCo with and into SDG&E (the "Merger") in accordance with the California General Corporation Law ("California GCL") and this Agreement for the purpose of establishing ParentCo as the parent corporation for SDG&E in a transaction intended to qualify for tax-free treatment.

NOW, THEREFORE, in consideration of the premises and agreements contained herein, the parties agree that (i) MergeCo shall be merged with and into SDG&E (the "Merger"), (ii) SDG&E shall be the corporation surviving the Merger, and (iii) the terms and conditions of the Merger, the mode of carrying it into effect, and the manner of converting and exchanging shares of capital stock shall be as follows:

ARTICLE 1

The Merger

1.1 Officers' Certificates. Subject to and in accordance with the provisions of this Agreement, officers' certificates of SDG&E, MergeCo and ParentCo (the "Officers'

Certificates") shall be signed and verified and thereafter delivered, together with a copy of this Agreement, to the office of the Secretary of State of California for filing, all as provided in Section 1103 of the California GCL.

1.2 Effective Time. The Merger shall become effective at 11:59 p.m. on the last day of the calendar month during which the Officers' Certificates and this Agreement are filed with the Secretary of State of California as contemplated by Section 1.1 above (the "Effective Time"). At the Effective Time, the separate existence of MergeCo shall cease and MergeCo shall be merged with and into SDG&E, which shall continue its corporate existence as the surviving corporation (SDG&E and MergeCo being sometimes referred to herein as the "Constituent Corporations" and SDG&E, as the surviving corporation, being sometimes referred to herein as the "Surviving Corporation"). SDG&E shall succeed, without other transfer, to all the rights and property of MergeCo and shall be subject to all the debts and liabilities of MergeCo in the same manner as if SDG&E had itself incurred them. All rights of creditors and all liens upon the property of each of SDG&E and MergeCo shall be preserved unimpaired.

1.3 Appropriate Actions. Prior to and after the Effective Time, ParentCo, SDG&E and MergeCo, respectively, shall take all such actions as may be necessary or appropriate in order to effectuate the Merger. In this connection, ParentCo shall issue the shares of ParentCo Common Stock into which outstanding shares of SDG&E Common Stock will be converted on a share-for-share basis to the extent provided in Article 2 of this Agreement. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full title to all properties, assets, privileges, rights, immunities and franchises of either of the Constituent Corporations, the officers and directors of each of the Constituent Corporations as of the Effective Time shall take all such further action.

ARTICLE 2

Terms of Conversion and Exchange of Shares

At the Effective Time:

2.1 SDG&E Common Stock. Each share of SDG&E Common Stock issued and outstanding immediately prior to the Merger shall be automatically changed and converted into one share of ParentCo Common Stock, which shall thereupon be issued and fully-paid and non-assessable; provided, however, that such conversion shall not affect shares of holders, if any, who perfect their rights as dissenting shareholders under Chapter 13 of the California GCL.

2.2 SDG&E Preferred Stock. Shares of the Cumulative Preferred Stock and Preference Stock of SDG&E issued and outstanding immediately prior to the Merger shall not be converted or otherwise affected by the Merger. Each such share shall continue to be (i) issued and outstanding and (ii) a fully-paid and nonassessable share (of Cumulative Preferred Stock or Preference Stock, as the case may be) of the Surviving Corporation.

2.3 MergeCo Shares. The shares of MergeCo Common Stock issued and outstanding immediately prior to the Merger shall be automatically changed and converted into all of the issued and outstanding shares of Common Stock of the Surviving Corporation, which shall thereupon be issued and fully-paid and nonassessable, with the effect that the number of issued and outstanding shares of Common Stock of the Surviving Corporation shall be the same as the number of issued and outstanding shares of SDG&E Common Stock immediately prior to the Effective Time.

2.4 ParentCo Shares. Each share of ParentCo Common Stock issued and outstanding immediately prior to the Merger shall be canceled.

ARTICLE 3

Articles of Incorporation and Bylaws

3.1 SDG&E's Restated Articles. From and after the Effective Time, and until thereafter amended as provided by law, the Restated Articles of Incorporation, as amended, of SDG&E as in effect immediately prior to the Merger shall be and continue to be the Restated Articles of Incorporation, as amended, of the Surviving Corporation.

3.2 SDG&E's Bylaws. From and after the Effective Time, and until thereafter amended as provided by law, the Bylaws of SDG&E as in effect immediately prior to the Merger shall be and continue to be the Bylaws of the Surviving Corporation.

ARTICLE 4

Directors and Officers

The persons who are directors and officers of SDG&E immediately prior to the Merger shall continue as directors and officers, respectively, of the Surviving Corporation and shall continue to hold office as provided in the Bylaws of the Surviving Corporation. If, at or following the Effective Time, a vacancy shall exist in the Board of Directors or in the position of any officer of the Surviving Corporation, such vacancy may be filled in the manner provided in the Bylaws of the Surviving Corporation.

ARTICLE 5

Stock Certificates

5.1 Pre-Merger SDG&E Common. Following the Effective Time, each holder of an outstanding certificate or certificates theretofore representing shares of SDG&E Common Stock may, but shall not be required to, surrender the same to ParentCo for cancellation or transfer, and each such holder or transferee will be entitled to receive a certificate or certificates

representing the same number of shares of ParentCo Common Stock as the shares of SDG&E Common Stock previously represented by the stock certificate(s) surrendered.

5.2 Outstanding Certificates. Until surrendered or presented for transfer in accordance with Section 5.1 above, each outstanding certificate which, prior to the Effective Time, represented SDG&E Common Stock shall be deemed and treated for all corporate purposes to represent the ownership of the same number of shares of ParentCo Common Stock as though such surrender or transfer and exchange had taken place.

5.3 SDG&E Stock Transfer Books. The stock transfer books for SDG&E Common Stock shall be deemed to be closed at the Effective Time and no transfer of shares of SDG&E Common Stock outstanding prior to the Effective Time shall thereafter be made on such books.

5.4 Post-Merger Rights of Holders. Following the Effective Time, the holders of certificates representing SDG&E Common Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to stock of the Surviving Corporation and their sole rights shall be with respect to the ParentCo Common Stock into which their shares of SDG&E Common Stock shall have been converted by the Merger.

ARTICLE 6

Conditions of the Merger

Completion of the Merger is subject to the satisfaction of the following conditions:

6.1 Shareholder Approval. The principal terms of this Agreement shall have been approved by such holders of capital stock of each of the Constituent Corporations as is required by the California GCL.

6.2 SDG&E Preferred Vote. The principal terms of this Agreement shall have been approved by the holders of at least two-thirds of the combined outstanding shares of Cumulative Preferred Stock and Preference Stock.

6.3 ParentCo Common Stock Listed. The ParentCo Common Stock to be issued and to be reserved for issuance pursuant to the Merger shall have been approved for listing, upon official notice of issuance, by the New York Stock Exchange.

ARTICLE 7

Amendment and Termination

7.1 Amendment. The parties to this Agreement, by mutual consent of their respective boards of directors, may amend, modify or supplement this Agreement in such manner as may be agreed upon by them in writing at any time before or after approval of this

Agreement by the pre-Merger shareholders of SDG&E (as provided in Sections 6.1 and 6.2 above); provided, however, that no such amendment, modification or supplement shall, if agreed to after such approval by the pre-Merger shareholders of SDG&E, change any of the principal terms of this Agreement.

7.2 Termination. This Agreement may be terminated and the Merger and other transactions provided for by this Agreement may be abandoned at any time, whether before or after approval of this Agreement by the pre-Merger shareholders of SDG&E, by action of the board of directors of SDG&E if such board of directors determines for any reason that the completion of the transactions provided for herein would for any reason be inadvisable or not in the best interests of SDG&E or its shareholders.

ARTICLE 8

Miscellaneous

8.1 Approval of ParentCo Shares. By its execution and delivery of this Agreement, SDG&E, as the sole pre-Merger shareholder of ParentCo, consents to, approves and adopts this Agreement and approves the Merger, subject to approval of this Agreement by the pre-Merger shareholders of SDG&E (as provided in Sections 6.1 and 6.2 above).

8.2 Approval of MergeCo Shares. By its execution and delivery of this Agreement, ParentCo, as the sole pre-Merger shareholder of MergeCo, consents to, approves and adopts this Agreement and approves the Merger, subject to approval of this Agreement by the pre-Merger shareholders of SDG&E (as provided in Sections 6.1 and 6.2 above).

8.3 No Counterparts. This agreement may not be executed in counterparts.

IN WITNESS WHEREOF, SDG&E, ParentCo and MergeCo, pursuant to approval and authorization duly given by resolutions adopted by their respective boards of directors, have each caused this Agreement to be executed by its chairman of the board or its president or one of its vice presidents and by its secretary or one of its assistant secretaries.

SDG&E:
San Diego Gas & Electric Company,
a California corporation

By:_____
Its:_____

By:_____
Its:_____

ParentCo:
SDO Parent Co., Inc.,
a California corporation

By:_____
Its:_____

By:_____
Its:_____

MergeCo:
San Diego Merger Company,
a California corporation

By:_____
Its:_____

By:_____
Its:_____

Exhibit B

RESTATED ARTICLES OF INCORPORATION
OF
SDO PARENT CO., INC.

FIRST: The name of the Corporation is SDO Parent Co., Inc.

SECOND: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THIRD: Stock.

A. The Corporation is authorized to issue two classes of shares, to be designated respectively Preferred Stock ("Preferred Stock") and Common Stock ("Common Stock"). The total number of shares of capital stock that the Corporation is authorized to issue is 330,000,000, of which 30,000,000 shall be Preferred Stock and 300,000,000 shall be Common Stock.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "Board of Directors") is expressly authorized to provide for the issue of all or any of the shares of the Preferred Stock in one or more series, and to fix the designation and number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such shares and as may be permitted by the General Corporation Law of California. The Board of Directors is also expressly authorized to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issue of shares of that series. If the number of shares

of any such series shall be so decreased, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

FOURTH: Directors.

A. The authorized number of directors of the Corporation shall not be fewer than nine (9) nor more than thirteen (13). The exact authorized number of directors shall be fixed from time to time, within the limits specified in this Article FOURTH, by resolution of the Board of Directors, or by a bylaw or amendment thereof duly adopted by the Board of Directors or the affirmative vote of the holders of shares representing at least 66-2/3% of the outstanding shares of the Corporation entitled to vote.

B. The Board of Directors shall be divided into three classes, designated Class I, Class II and Class III, as nearly equal in number as possible, and the term of office of directors of one class shall expire at each annual meeting of shareholders, but in all cases continue as to each director until his or her successor shall be elected and shall qualify or until his or her earlier resignation, removal from office, death or incapacity. Additional directorships resulting from an increase in number of directors shall be apportioned among the classes as equally as possible. The initial terms of office shall be determined by resolution duly adopted by the Board of Directors. At each annual meeting of shareholders the number of directors equal to the number of directors of the class whose term expires at the time of such meeting (or, if fewer, the number of directors properly nominated and qualified for election) shall be elected to hold office until the third succeeding annual meeting of shareholders after their election. This Paragraph B of this Article FOURTH shall become effective only when the Corporation shall have become a "listed corporation" within the meaning of section 301.5 of the California Corporations Code.

C. Vacancies in the Board of Directors, including, without limitation, vacancies created by the removal of any director, may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director.

FIFTH: No shareholder may cumulate votes in the election of directors.

This Article FIFTH shall become effective only when the Corporation shall have become a "listed corporation" within the meaning of section 301.5 of the California Corporations Code.

SIXTH: Unless the Board of Directors, by a resolution adopted by 66-2/3% of the authorized number of directors, waives the provisions of this Article SIXTH in any particular circumstance, any action required or permitted to be taken by shareholders of the Corporation must be taken either (i) at a duly called annual or special meeting of shareholders of the Corporation or (ii) by the unanimous written consent of all of the shareholders.

SEVENTH: Fair Price.

A. REQUIRED SHAREHOLDER VOTE FOR CERTAIN TRANSACTIONS.

Unless all of the conditions set forth in either Subsection 1 or 2 of Section B of this Article SEVENTH have been fulfilled, any agreement, contract, transaction or other arrangement providing for or resulting in a Business Combination must be approved by the affirmative vote of 66-2/3% of the number of shares of Common Stock outstanding at the time voting as a separate class. Such affirmative vote shall be required notwithstanding the fact that no vote may be required by law or these Articles or that a lesser percentage, different or additional vote may be specified by law, these Articles, or in any agreement with any national securities exchange or otherwise, in which case each vote requirement shall be satisfied individually.

B. EXCEPTIONS.

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

1. The Business Combination shall have been approved by a resolution adopted by 66-2/3% of the authorized number of directors of the Corporation, or

2. All of the following conditions have been met:

a. Any consideration to be received for any stock as a result of the Business Combination shall be in cash or in the same form as a Dominant Shareholder has previously paid for shares of that class. If varying forms of consideration have been used, the form of consideration shall be the form used to acquire the largest number of shares of the class receiving consideration.

b. The aggregate amount of cash and the fair market value of any other form of consideration shall, on a per share basis, be at least equal to the Highest Purchase Price paid by a Dominant Shareholder for shares of the same class.

c. After such Dominant Shareholder has become a Dominant Shareholder and prior to the consummation of such Business Combination:

(1) There shall have been no failure to declare and pay in full at the regular rate any periodic dividends on any outstanding preferred stock unless such failure is approved by 66-2/3% of the authorized number of directors of the Corporation;

(2) There shall have been no reduction in the quarterly rate of dividends, if any, paid on common shares (such rate to be appropriately adjusted to reflect the occurrence of any reclassification, reverse stock split, recapitalization, reorganization or other similar transaction having the effect of changing the number of outstanding common shares) unless

such reduction is approved by 66-2/3% of the authorized number of directors of the Corporation; and

(3) Neither a Dominant Shareholder nor an Affiliate thereof shall have acquired Beneficial Ownership of any additional shares of voting stock of the Corporation except as part of a transaction which has been approved by a resolution adopted by 66-2/3% of the authorized number of directors.

3. Definitions.

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

b. "Beneficial Ownership" means: ownership; holding the right to vote pursuant to any agreement, arrangement or understanding; having the right to acquire pursuant to any agreement, arrangement, understanding, option, right, warrant or right of conversion; having the right to dispose of pursuant to any agreement, arrangement or understanding; having the right to receive money (e.g., dividends, redemption proceeds or proceeds from any sale) with respect to pursuant to any agreement, arrangement or understanding; and Beneficial Ownership (pursuant to the foregoing provisions of this definition) by an Affiliate or by an officer, director or employee of a Dominant Shareholder or any Affiliate of such an officer, director or employee.

c. "Business Combination" means: (1) a merger or consolidation of the Corporation or any Subsidiary with a Dominant Shareholder or with any other corporation or entity which is, or after such merger or consolidation would be, an Affiliate of a Dominant Shareholder; (2) the sale, lease, exchange, pledge, transfer or other disposition by the Corporation, or a Subsidiary, of assets exceeding ten percent (10%) of the total assets of the Corporation in a transaction or series of transactions in which a Dominant Shareholder is either a party or has an interest; (3) the issuance, sale, exchange, disposition or other transfer by the Corporation or any Subsidiary, in one transaction or a series of transactions, of any securities of the Corporation, or any Subsidiary, to any Dominant Shareholder or any Affiliate of any Dominant Shareholder in exchange for cash, securities or other property having an aggregate fair market value in excess of ten percent (10%) of the fair market value of the issued and outstanding capital stock of the Corporation prior to such transaction; (4) any reclassification of securities, any reverse stock split, or any recapitalization of the Corporation or any other transaction which has the effect, directly or indirectly, of increasing the Beneficial Ownership of the Corporation or any Subsidiary by the Dominant Shareholder or any Affiliate thereof.

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

e. "Highest Purchase Price" shall mean the highest amount of consideration paid by a Dominant Shareholder at any time within two years prior to the date of becoming a Dominant Shareholder and during any time while having the status of Dominant Shareholder; provided, however, that the Highest Purchase Price shall be appropriately adjusted to reflect the occurrence of any reclassification, recapitalization, stock split, reverse stock split or other readjustment to the number of outstanding shares of stock in a class, or the payment of a stock dividend thereon occurring between the last date upon which such Dominant Shareholder paid the Highest Purchase Price and the effective date of the Business Combination.

f. "Person" means: any individual, group, partnership, association, firm, corporation or other entity.

g. "Subsidiary" means: any corporation in which this Corporation has Beneficial Ownership of at least a majority of any class of stock having the right to vote for directors.

4. The Board of Directors by a vote of 66-2/3% of the authorized number of directors shall have the right to make any determinations required under this Article SEVENTH.

EIGHTH: Indemnity.

A. LIMITATION OF DIRECTORS' LIABILITY.

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

B. INDEMNIFICATION OF CORPORATE AGENTS.

The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification

otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code.

NINTH: The Board of Directors is expressly authorized to make, amend or repeal the bylaws of the Corporation, without any action on the part of the shareholders, solely by the affirmative vote of at least 66-2/3% of the authorized number of directors. The bylaws may also be amended or repealed by the shareholders, but only by the affirmative vote of the holders of shares representing at least 66-2/3% of the outstanding shares of the Corporation entitled to vote.

TENTH: The amendment or repeal of Articles FOURTH, FIFTH, SIXTH, SEVENTH, EIGHTH, NINTH and TENTH shall require the approval of the holders of shares representing at least 66-2/3% of the outstanding shares of the Corporation entitled to vote.

Exhibit C - Chapter 13 of the California General Corporation Law

DISSENTERS' RIGHTS

(S) 1300. Reorganization or short-form merger; dissenting shares; corporate purchase at fair market value; definitions

(a) If the approval of the outstanding shares (Section 152) of a corporation is required for a reorganization under subdivisions (a) and (b) or subdivision (e) or (f) of Section 1201, each shareholder of the corporation entitled to vote on the transaction and each shareholder of a subsidiary corporation in a short-form merger may, by complying with this chapter, require the corporation in which the shareholder holds shares to purchase for cash at their fair market value the shares owned by the shareholder which are dissenting shares as defined in subdivision (b). The fair market value shall be determined as of the day before the first announcement of the terms of the proposed reorganization or short-form merger, excluding any appreciation or depreciation in consequence of the proposed action, but adjusted for any stock split, reverse stock split, or share dividend which becomes effective thereafter.

(b) As used in this chapter, "dissenting shares" means shares which come within all of the following descriptions:

(1) Which were not immediately prior to the reorganization or short-form merger either (A) listed on any national securities exchange certified by the Commissioner of Corporations under subdivision (o) of Section 25100 or (B) listed on the list of OTC margin stocks issued by the Board of Governors of the Federal Reserve System, and the notice of meeting of shareholders to act upon the reorganization summarizes this section and Sections 1301, 1302, 1303 and 1304; provided, however, that this provision does not apply to any shares with respect to which there exists any restriction on transfer imposed by the corporation or by any law or regulation; and provided, further, that this provision does not apply to any class of shares described in subparagraph (A) or (B) if demands for payment are filed with respect to 5 percent or more of the outstanding shares of that class.

(2) Which were outstanding on the date for the determination of shareholders entitled to vote on the reorganization and (A) were not voted in favor of the reorganization or, (B) if described in subparagraph (A) or (B) of paragraph (1) (without regard to the provisos in that paragraph), were voted against the reorganization, or which were held of record on the effective date of a short-form merger; provided, however, that subparagraph (A) rather than subparagraph (B) of this paragraph applies in any case where the approval required by Section 1201 is sought by written consent rather than at a meeting.

(3) Which the dissenting shareholder has demanded that the corporation purchase at their fair market value, in accordance with Section 1301.

(4) Which the dissenting shareholder has submitted for endorsement, in accordance with Section 1302.

(c) As used in this chapter, "dissenting shareholder" means the recordholder of dissenting shares and includes a transferee of record.

(S) 1301. Notice to holders of dissenting shares in reorganizations; demand for purchase; time; contents

(a) If, in the case of a reorganization, any shareholders of a corporation have a right under Section 1300, subject to compliance with paragraphs (3) and (4) of subdivision (b) thereof, to require the corporation to purchase their shares for cash, such corporation shall mail to each such shareholder a notice of the approval of the reorganization by its outstanding shares (Section 152) within 10 days after the date of such approval, accompanied by a copy of Sections 1300, 1302, 1303, 1304 and this section, a statement of the price determined by the corporation to represent the fair market value of the dissenting shares, and a brief description of the procedure to be followed if the shareholder desires to exercise the shareholder's right under such sections. The statement of price constitutes an offer by the corporation to purchase at the price stated any dissenting shares as defined in subdivision (b) of Section 1300, unless they lose their status as dissenting shares under Section 1309.

(b) Any shareholder who has a right to require the corporation to purchase the shareholder's shares for cash under Section 1300, subject to compliance with paragraphs (3) and (4) of subdivision (b) thereof, and who desires the corporation to purchase such shares shall make written demand upon the corporation for the purchase of such shares and payment to the shareholder in cash of their fair market value. The demand is not effective for any purpose unless it is received by the corporation or any transfer agent thereof (1) in the case of shares described in clause (i) or (ii) of paragraph (1) of subdivision (b) of Section 1300 (without regard to the provisos in that paragraph), not later than the date of the shareholders' meeting to vote upon the reorganization, or (2) in any other case within 30 days after the date on which the notice of the approval by the outstanding shares pursuant to subdivision (a) or the notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder.

(c) The demand shall state the number and class of the shares held of record by the shareholder which the shareholder demands that the corporation purchase and shall contain a statement of what such shareholder claims to be the fair market value of those shares as of the day before the announcement of the proposed reorganization or short-form merger. The statement of fair market value constitutes an offer by the shareholder to sell the shares at such price.

(S) 1302. Submission of share certificates for endorsement; uncertificated securities

Within 30 days after the date on which notice of the approval by the outstanding shares or the notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder, the shareholder shall submit to the corporation at its principal office or at the office of any transfer agent thereof, (a) if the shares are certificated securities, the shareholder's certificates representing any shares which the shareholder demands that the corporation purchase, to be stamped or endorsed with a statement that the shares are dissenting shares to be exchanged for certificates of appropriate denomination so stamped or endorsed or (b) if the shares are

uncertificated securities, written notice of the number of shares which the shareholder demands that the corporation purchase. Upon subsequent transfers of the dissenting shares on the books of the corporation, the new certificates, initial transaction statement, and other written statements issued therefor shall bear a like statement, together with the name of the original dissenting holder of the shares.

(S) 1303. Payment of agreed price with interest; agreement fixing fair market value; filing; time of payment

(a) If the corporation and the shareholder agree that the shares are dissenting shares and agree upon the price of the shares, the dissenting shareholder is entitled to the agreed price with interest thereon at the legal rate on judgments from the date of the agreement. Any agreements fixing the fair market value of any dissenting shares as between the corporation and the holders thereof shall be filed with the secretary of the corporation.

(b) Subject to the provisions of Section 1306, payment of the fair market value of dissenting shares shall be made within 30 days after the amount thereof has been agreed or within 30 days after any statutory or contractual conditions to the reorganization are satisfied, whichever is later, and in the case of certificated securities, subject to surrender of the certificates therefor, unless provided otherwise by agreement.

(S) 1304. Action to determine whether shares are dissenting shares or fair market value; limitation; joinder; consolidation; determination of issues; appointment of appraisers

(a) If the corporation denies that the shares are dissenting shares, or the corporation and the shareholder fail to agree upon the fair market value of the shares, then the shareholder demanding purchase of such shares as dissenting shares or any interested corporation, within six months after the date on which notice of the approval by the outstanding shares (Section 152) or notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder, but not thereafter, may file a complaint in the superior court of the proper county praying the court to determine whether the shares are dissenting shares or the fair market value of the dissenting shares or both or may intervene in any action pending on such a complaint.

(b) Two or more dissenting shareholders may join as plaintiffs or be joined as defendants in any such action and two or more such actions may be consolidated.

(c) On the trial of the action, the court shall determine the issues. If the status of the shares as dissenting shares is in issue, the court shall first determine that issue. If the fair market value of the dissenting shares is in issue, the court shall determine, or shall appoint one or more impartial appraisers to determine, the fair market value of the shares.

(S) 1305. Report of appraisers; confirmation; determination by court; judgment; payment; appeal; costs

(a) If the court appoints an appraiser or appraisers, they shall proceed forthwith to determine the fair market value per share. Within the time fixed by the court, the appraisers,

or a majority of them, shall make and file a report in the office of the clerk of the court. Thereupon, on the motion of any party, the report shall be submitted to the court and considered on such evidence as the court considers relevant. If the court finds the report reasonable, the court may confirm it.

(b) If a majority of the appraisers appointed fail to make and file a report within 10 days from the date of their appointment or within such further time as may be allowed by the court or the report is not confirmed by the court, the court shall determine the fair market value of the dissenting shares.

(c) Subject to the provisions of Section 1306, judgment shall be rendered against the corporation for payment of an amount equal to the fair market value of each dissenting share multiplied by the number of dissenting shares which any dissenting shareholder who is a party, or who has intervened, is entitled to require the corporation to purchase, with interest thereon at the legal rate from the date on which judgment was entered.

(d) Any such judgment shall be payable forthwith with respect to uncertificated securities and, with respect to certificated securities, only upon the endorsement and delivery to the corporation of the certificates for the shares described in the judgment. Any party may appeal from the judgment.

(e) The costs of the action, including reasonable compensation to the appraisers to be fixed by the court, shall be assessed or apportioned as the court considers equitable, but, if the appraisal exceeds the price offered by the corporation, the corporation shall pay the costs (including in the discretion of the court attorneys' fees, fees of expert witnesses and interest at the legal rate on judgments from the date of compliance with Sections 1300, 1301 and 1302 if the value awarded by the court for the shares is more than 125 percent of the price offered by the corporation under subdivision (a) of Section 1301).

(S) 1306. Prevention of immediate payment; status as creditors; interest

To the extent that the provisions of Chapter 5 prevent the payment to any holders of dissenting shares of their fair market value, they shall become creditors of the corporation for the amount thereof together with interest at the legal rate on judgments until the date of payment, but subordinate to all other creditors in any liquidation proceeding, such debt to be payable when permissible under the provisions of Chapter 5.

(S) 1307. Dividends on dissenting shares

Cash dividends declared and paid by the corporation upon the dissenting shares after the date of approval of the reorganization by the outstanding shares (Section 152) and prior to payment for the shares by the corporation shall be credited against the total amount to be paid by the corporation therefor.

(S) 1308. Rights of dissenting shareholders pending valuation; withdrawal of demand for payment

Except as expressly limited in this chapter, holders of dissenting shares continue to have all the rights and privileges incident to their shares, until the fair market value of their shares is agreed upon or determined. A dissenting shareholder may not withdraw a demand for payment unless the corporation consents thereto.

(S) 1309. Termination of dissenting share and shareholder status

Dissenting shares lose their status as dissenting shares and the holders thereof cease to be dissenting shareholders and cease to be entitled to require the corporation to purchase their shares upon the happening of any of the following:

(a) The corporation abandons the reorganization. Upon abandonment of the reorganization, the corporation shall pay on demand to any dissenting shareholder who has initiated proceedings in good faith under this chapter all necessary expenses incurred in such proceedings and reasonable attorneys' fees.

(b) The shares are transferred prior to their submission for endorsement in accordance with Section 1302 or are surrendered for conversion into shares of another class in accordance with the articles.

(c) The dissenting shareholder and the corporation do not agree upon the status of the shares as dissenting shares or upon the purchase price of the shares, and neither files a complaint or intervenes in a pending action as provided in Section 1304, within six months after the date on which notice of the approval by the outstanding shares or notice pursuant to subdivision (i) of Section 1110 was mailed to the shareholder.

(d) The dissenting shareholder, with the consent of the corporation, withdraws the shareholder's demand for purchase of the dissenting shares.

(S) 1310. Suspension of right to compensation or valuation proceedings; litigation of shareholders' approval

If litigation is instituted to test the sufficiency or regularity of the votes of the shareholders in authorizing a reorganization, any proceedings under Sections 1304 and 1305 shall be suspended until final determination of such litigation.

(S) 1311. Exempt shares

This chapter, except Section 1312, does not apply to classes of shares whose terms and provisions specifically set forth the amount to be paid in respect to such shares in the event of a reorganization or merger.

(S) 1312. Right of dissenting shareholder to attack, set aside or rescind merger or reorganization; restraining order or injunction; conditions

(a) No shareholder of a corporation who has a right under this chapter to demand payment of cash for the shares held by the shareholder shall have any right at law or in equity to attack the validity of the reorganization or short-form merger, or to have the reorganization or short-form merger set aside or rescinded, except in an action to test whether the number of shares required to authorize or approve the reorganization have been legally voted in favor thereof; but any holder of shares of a class whose terms and provisions specifically set forth the amount to be paid in respect to them in the event of a reorganization or short-form merger is entitled to payment in accordance with those terms and provisions or, if the principal terms of the reorganization are approved pursuant to subdivision (b) of Section 1202, is entitled to payment in accordance with the terms and provisions of the approved reorganization.

(b) If one of the parties to a reorganization or short-form merger is directly or indirectly controlled by, or under common control with, another party to the reorganization or short-form merger, subdivision (a) shall not apply to any shareholder of such party who has not demanded payment of cash for such shareholder's shares pursuant to this chapter; but if the shareholder institutes any action to attack the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded, the shareholder shall not thereafter have any right to demand payment of cash for the shareholder's shares pursuant to this chapter. The court in any action attacking the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded shall not restrain or enjoin the consummation of the transaction except upon 10 days' prior notice to the corporation and upon a determination by the court that clearly no other remedy will adequately protect the complaining shareholder or the class of shareholders of which such shareholder is a member.

(c) If one of the parties to a reorganization or short-form merger is directly or indirectly controlled by, or under common control with, another party to the reorganization or short-form merger, in any action to attack the validity of the reorganization or short-form merger or to have the reorganization or short-form merger set aside or rescinded, (1) a party to a reorganization or short-form merger which controls another party to the reorganization or short-form merger shall have the burden of proving that the transaction is just and reasonable as to the shareholders of the controlled party, and (2) a person who controls two or more parties to a reorganization shall have the burden of proving that the transaction is just and reasonable as to the shareholders of any party so controlled.

Part II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Pursuant to the California Corporations Code, Article NINTH of the Registrant's Articles of Incorporation and provisions of the Registrant's Bylaws, directors, officers, employees and agents of the Registrant may be indemnified by the Registrant in certain circumstances against liabilities they incur while acting in such capacities. Upon the effectiveness of the Merger (as contemplated in Part I of this Registration Statement), the Registrant will have directors' and officers' liability insurance policies in force insuring directors and officers of the Registrant and its subsidiaries.

Item 21. Exhibits and Financial Statement Schedules.

See Exhibit Index.

Item 22. Undertakings.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of an annual report of the Registrant or San Diego Gas & Electric Company pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrant hereby undertakes as follows:

(1) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this Registration Statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(2) That every prospectus (i) that is filed pursuant to paragraph (1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the Registration Statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 20 above, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the Proxy Statement and Prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the Registration Statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, State of California, on December 21, 1994.

SDO PARENT CO., INC.

By: /s/ Thomas A. Page

Thomas A. Page
Chairman of the Board, Chief Executive Officer and President

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Henry P. Morse, Jr., David R. Clark and David R. Snyder, and any one of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement (including post-effective amendments thereto), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
Principal Executive Officer:		
/s/ Thomas A. Page Thomas A. Page	Chairman of the Board, Chief Executive Officer, President and Director	December 21, 1994
Principal Financial Officer:		
/s/ Donald E. Felsinger Donald E. Felsinger	Executive Vice President and Chief Financial Officer	December 21, 1994

Principal Accounting Officer:

/s/ Frank H. Ault Frank H. Ault	Vice President, Controller	December 21, 1994

Directors (other than Mr. Page):

/s/ Richard C. Atkinson Richard C. Atkinson	Director	December 21, 1994
/s/ Ann Burr Ann Burr	Director	December 21, 1994
/s/ Richard A. Collato Richard A. Collato	Director	December 21, 1994
/s/ Daniel W. Derbes Daniel W. Derbes	Director	December 21, 1994
/s/ Robert H. Goldsmith Robert H. Goldsmith	Director	December 21, 1994
/s/ William D. Jones William D. Jones	Director	December 21, 1994
/s/ Ralph R. Ocampo Ralph R. Ocampo	Director	December 21, 1994
/s/ Thomas C. Stickel Thomas C. Stickel	Director	December 21, 1994
/s/ Catherine Fitzgerald Wiggs Catherine Fitzgerald Wiggs	Director	December 21, 1994

EXHIBIT INDEX

These Exhibits are numbered in accordance with the Exhibit Table of Item 601 of Regulation S-K.

	Exhibit No.	Description	Sequential Page No. in manually Signed Original
	2	Merger Agreement (Exhibit A to Proxy Statement and Prospectus).	-
	3.1	Articles of Incorporation of Registrant (Exhibit B to Proxy Statement and Prospectus).	-
*	3.2	Bylaws of Registrant.	
*	4.1	Restated Articles of Incorporation of SDG&E.	
	4.2	Mortgage and Deed of Trust dated July 1, 1940. (Incorporated by reference from Registration No. 2-49810 - Exhibit 2A.)	-
	4.3	Second Supplemental Indenture dated as of March 1, 1948. (Incorporated by reference from Registration No. 2-49810 -Exhibit 2C.)	-
	4.4	Ninth Supplemental Indenture dated as of August 1, 1968. (Incorporated by reference from Registration No. 2-68420 -Exhibit 2D.)	-
	4.5	Tenth Supplemental Indenture dated as of December 1, 1968. (Incorporated by reference from Registration No. 2-36042 -Exhibit 2K.)	-
	4.6	Sixteenth Supplemental Indenture dated August 28, 1975. (Incorporated by reference from Registration No. 2-68420 -Exhibit 2E.)	-
	4.7	Thirtieth Supplemental Indenture dated September 28, 1983. (Incorporated by reference from Registration No. 33-34017 -Exhibit 4.3.)	-
*	5	Opinion of Pillsbury Madison & Sutro	
*	8	Tax Opinion of Pillsbury Madison & Sutro	
	10.1	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Officers #3 (1994 compensation). (Incorporated by reference from SDG&E's 1993 Form 10-K -Exhibit 10.1.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.2	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Officers #1 (1994 compensation, 1995 incentive). (Incorporated by reference from SDG&E's 1993 Form 10-K - Exhibit 10.2.)	-
10.3	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Nonemployee Directors (1994 compensation). (Incorporated by reference from SDG&E's 1993 Form 10-K - Exhibit 10.3.)	-
10.4	Form of San Diego Gas & Electric Company 1986 Long-Term Incentive Plan 1993 restricted stock award agreement. (Incorporated by reference from SDG&E's 1993 Form 10-K -Exhibit 10.4.)	-
10.5	Supplemental Executive Retirement Plan adopted on July 15, 1981 and amended on April 24, 1985, October 20, 1986, April 28, 1987, October 24, 1988, November 21, 1988, October 28, 1991, May 28, 1992, May 24, 1993 and November 22, 1993. (Incorporated by reference from SDG&E's 1993 Form 10-K -Exhibit 10.5.)	-
10.6	Amended 1986 Long-Term Incentive Plan, Restatement as of October 25, 1993. (Incorporated by reference from SDG&E's 1993 Form 10-K - Exhibit 10.6.)	-
10.7	Loan agreement with CIBC Inc. dated as of December 1, 1993. (Incorporated by reference from SDG&E's 1993 Form 10-K -Exhibit 10.7.)	-
10.8	Amendment to San Diego Gas & Electric Company and Southern California Gas Company Restated Long-Term Wholesale Natural Gas Service Contract (see Exhibit 10.53) dated March 26, 1993. (Incorporated by reference from SDG&E's 1993 Form 10-K - Exhibit 10.8.)	-
10.9	Loan agreement with the California Pollution Control Financing Authority in connection with the issuance of $80 million of Pollution Control Bonds dated as of June 1, 1993. (Incorporated by reference from SDG&E's June 30, 1993 Form 10-Q - Exhibit 10.1.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.10	Loan agreement with the City of San Diego in connection with the issuance of $92.7 million of Industrial Development Bonds 1993 Series C dated as of July 1, 1993. (Incorporated by reference from SDG&E's June 30, 1993 Form 10-Q - Exhibit 10.2.)	-
10.11	Loan agreement with Mellon Bank, N.A dated as of April 15, 1993. (Incorporated by reference from SDG&E's March 31, 1993 Form 10-Q - Exhibit 10.1.)	-
10.12	Loan agreement with First Interstate Bank dated as of April 15, 1993. (Incorporated by reference from SDG&E's March 31, 1993 Form 10-Q - Exhibit 10.2.)	-
10.13	Loan agreement with the City of San Diego in connection with the issuance of Industrial Development Bonds 1993 Series A dated as of April 1, 1993. (Incorporated by reference from SDG&E's March 31, 1993 Form 10-Q - Exhibit 10.3.)	-
10.14	Loan agreement with the City of San Diego in connection with the issuance of Industrial Development Bonds 1993 Series B dated as of April 1, 1993. (Incorporated by reference from SDG&E's March 31, 1993 Form 10-Q - Exhibit 10.4.)	-
10.15	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Officers #3 (1993 compensation). (Incorporated by reference from SDG&E's 1992 Form 10-K -Exhibit 10.1.)	-
10.16	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Officers #1 (1993 compensation, 1994 incentive). (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.2.)	-
10.17	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Nonemployee Directors (1993 compensation). (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.3.)	-
10.18	Form of San Diego Gas & Electric Company 1986 Long-Term Incentive Plan 1992 restricted stock award agreement. (Incorporated by reference from SDG&E's 1992 Form 10-K -Exhibit 10.4.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.19	Loan agreement with the City of Chula Vista in connection with the issuance of $250 million of Industrial Development Revenue Bonds, dated as of December 1, 1992. (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.5.)	-
10.20	Loan agreement with the City of San Diego in connection with the issuance of $25 million of Industrial Development Revenue Bonds, dated as of September 1, 1987. (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.6.)	-
10.21	Nuclear Facilities Qualified CPUC Decommissioning Master Trust Agreement for San Onofre Nuclear Generating Station, approved November 25, 1987. (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.7.)	-
10.22	Nuclear Facilities Non-Qualified CPUC Decommissioning Master Trust Agreement for San Onofre Nuclear Generating Station, approved November 25, 1987. (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.8.)	-
10.23	Amended 1986 Long-Term Incentive Plan. (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.9.)	-
10.24	Loan agreement between Mellon Bank, N.A. and San Diego Gas & Electric Company dated December 15, 1992, as amended. (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.10.)	-
10.25	Fuel Lease dated as of September 8, 1983 between SONGS Fuel Company, as Lessor and San Diego Gas & Electric Company, as Lessee, and Amendment No. 1 to Fuel Lease, dated September 14, 1984 and Amendment No. 2 to Fuel Lease, dated March 2, 1987. (Incorporated by reference from SDG&E's 1992 Form 10-K - Exhibit 10.11.)	-
10.26	Loan Agreement with the City of San Diego in connection with the issuance of $118.6 million of Industrial Development Revenue Bonds dated as of September 1, 1992. (Incorporated by reference from SDG&E's September 30, 1992 Form 10-Q -Exhibit 10.1.)	-
10.27	Gas Purchase Agreement, dated March 12, 1991 between Husky Oil Operations Limited and San Diego Gas & Electric Company. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.1.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.28	Gas Purchase Agreement, dated March 12, 1991 between Canadian Hunter Marketing Limited and San Diego Gas & Electric Company. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.2.)	-
10.29	Gas Purchase Agreement, dated March 12, 1991 between Bow Valley Industries Limited and San Diego Gas & Electric Company. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.3.)	-
10.30	Gas Purchase Agreement, dated March 12, 1991 between Summit Resources Limited and San Diego Gas & Electric Company. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.4.)	-
10.31	Service Agreement Applicable to Firm Transportation Service under Rate Schedule FS-1, dated May 31, 1991 between Alberta Natural Gas Company Ltd. and San Diego Gas & Electric Company. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.5.)	-
10.32	Firm Transportation Service Agreement, dated December 31, 1991 between Pacific Gas and Electric Company and San Diego Gas & Electric Company. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.7.)	-
10.33	Supplemental Executive Retirement Plan adopted on July 15, 1981 and amended on April 24, 1985, October 20, 1986, April 28, 1987, October 24, 1988, November 21, 1988 and October 28, 1991. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.8.)	-
10.34	Uranium enrichment services contract between the U. S. Department of Energy and Southern California Edison Company, as agent for SDG&E and others; Contract DE-SC05-84UEO7541, dated November 5, 1984, effective June 1, 1984, as amended by modifications dated September 13, 1985, January 8, April 10, June 17 and August 8, 1986, March 26, 1987, February 20 and July 25, 1990, and October 7, 1991. (Incorporated by reference from SDG&E's 1991 Form 10-K -Exhibit 10.9.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.35	Loan agreement with California Pollution Control Financing Authority, dated as of December 1, 1985, in connection with the issuance of $35 million of pollution control bonds. (Incorporated by reference from SDG&E's 1991 Form 10-K -Exhibit 10.10.)	-
10.36	Loan agreement with California Pollution Control Financing Authority, dated as of December 1, 1991, in connection with the issuance of $14.4 million of pollution control bonds. (Incorporated by reference from SDG&E's 1991 Form 10-K -Exhibit 10.11.)	-
10.37	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Officers #3 (1992 compensation). (Incorporated by reference from SDG&E's 1991 Form 10-K -Exhibit 10.16.)	-
10.38	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Officers #1 (1992 compensation, 1993 incentive). (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.17.)	-
10.39	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Nonemployee Directors (1992 compensation). (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.18.)	-
10.40	Form of San Diego Gas & Electric Company Deferred Compensation Agreement for Officers #1 (1991 compensation, 1992 incentive). (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.20.)	-
10.41	Loan agreement with the City of San Diego in connection with the issuance of $44.25 million of Industrial Development Revenue Bonds, dated as of July 1, 1986. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.36.)	-
10.42	Loan agreement with the City of San Diego in connection with the issuance of $81.35 million of Industrial Development Revenue Bonds, dated as of December 1, 1986. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.37.)	-
10.43	Loan agreement with the City of San Diego in connection with the issuance of $100 million of Industrial Development Revenue Bonds, dated as of September 1, 1985. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.38.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.44	Executive Incentive Plan dated April 23, 1985. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.39.)	-
10.45	Loan agreement with California Pollution Control Financing Authority dated as of December 1, 1984, in connection with the issuance of $27 million of pollution control bonds. (Incorporated by reference from SDG&E's 1991 Form 10-K -Exhibit 10.40.)	-
10.46	Loan agreement with California Pollution Control Financing Authority dated as of May 1, 1984, in connection with the issuance of $53 million of pollution control bonds. (Incorporated by reference from SDG&E's 1991 Form 10-K -Exhibit 10.41.)	-
10.47	Lease agreement dated as of July 14, 1975 with New England Mutual Life Insurance Company, as lessor. (Incorporated by reference from SDG&E's 1991 Form 10-K - Exhibit 10.42.)	-
10.48	Firm Transportation Service Agreement, dated April 25, 1991 between Pacific Gas Transmission Company and San Diego Gas & Electric Company. (Incorporated by reference from SDG&E's March 31, 1991 Form 10-Q - Exhibit 28.2.)	-
10.49	Agreement dated March 19, 1987, for the Purchase and Sale of Uranium Concentrates between SDG&E and Saarberg-Interplan Uran GmbH (assigned to Pathfinder Mines Corporation in June 1993). (Incorporated by reference from SDG&E's 1990 Form 10-K - Exhibit 10.5.)	-
10.50	Second Amended San Onofre Agreement among Southern California Edison Company, SDG&E, the City of Anaheim and the City of Riverside, dated February 26, 1987. (Incorporated by reference from SDG&E's 1990 Form 10-K - Exhibit 10.6.)	-
10.51	San Diego Gas & Electric Company Retirement Plan for Directors, adopted December 17, 1990. (Incorporated by reference from SDG&E's 1990 Form 10-K - Exhibit 10.7.)	-
10.52	San Diego Gas & Electric Company Executive Severance Allowance Plan, as Amended and Restated, December 17, 1990. (Incorporated by reference from SDG&E's 1990 Form 10-K - Exhibit 10.8.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.53	San Diego Gas & Electric Company and Southern California Gas Company Restated Long-Term Wholesale Natural Gas Service Contract, dated September 1, 1990. (Incorporated by reference from SDG&E's 1990 Form 10-K - Exhibit 10.9.)	-
10.54	Amendment to the San Diego Gas & Electric Company 1986 Long-Term Incentive Plan adopted January 23, 1989. (Incorporated by reference from SDG&E's 1989 Form 10-K -Exhibit 10B.)	-
10.55	Loan agreement between San Diego Trust & Savings Bank and SDG&E dated January 1, 1989 as amended. (Incorporated by reference from SDG&E's 1989 Form 10-K - Exhibit 10H.)	-
10.56	Loan agreement between Union Bank and SDG&E dated November 1, 1988 as amended. (Incorporated by reference from SDG&E's 1989 Form 10-K - Exhibit 10I.)	-
10.57	Loan agreement between Bank of America National Trust & Savings Association and SDG&E dated November 1, 1988 as amended. (Incorporated by reference from SDG&E's 1989 Form 10-K - Exhibit 10J.)	-
10.58	Loan agreement between First Interstate Bank of California and SDG&E dated November 1, 1988 as amended. (Incorporated by reference from SDG&E's 1989 Form 10-K -Exhibit 10K.)	-
10.59	Severance Plan as amended August 22, 1988. (Incorporated by reference from SDG&E's 1988 Form 10-K - Exhibit 10A.)	-
10.60	U. S. Navy contract for electric service, Contract N62474-70-C-1200-P00414, dated September 29, 1988. (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10C.)	-
10.61	Employment agreement between San Diego Gas & Electric Company and Thomas A. Page, dated June 15, 1988. (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10E.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.62	Public Service Company of New Mexico and San Diego Gas & Electric Company 1988-2001 100 MW System Power Agreement dated November 4, 1985 and Letter of Agreement dated April 28, 1986, June 4, 1986 and June 18, 1986. (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10H.)	-
10.63	San Diego Gas & Electric Company and Portland General Electric Company Long-Term Power Sale and Transmission Service agreements dated November 5, 1985. (Incorporated by reference from SDG&E's 1988 Form 10-K - Exhibit 10I.)	-
10.64	Comision Federal de Electricidad and San Diego Gas & Electric Company Contract for the Purchase and Sale of Electric Capacity and Energy dated November 20, 1980 and additional Agreement to the contract dated March 22, 1985. (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10J.)	-
10.65	U. S. Department of Energy contract for disposal of spent nuclear fuel and/or high-level radioactive waste, entered into between the DOE and Southern California Edison Company, as agent for SDG&E and others; Contract DE-CR01-83NE44418, dated June 10, 1983. (Incorporated by reference from SDG&E's 1988 Form 10-K - Exhibit 10N.)	-
10.66	Agreement with Arizona Public Service Company for Arizona transmission system participation agreement - contract 790116. (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10P.)	-
10.67	City of San Diego Electric Franchise (Ordinance No.10466). (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10Q.)	-
10.68	City of San Diego Gas Franchise (Ordinance No.10465). (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10R.)	-
10.69	County of San Diego Electric Franchise (Ordinance No.3207). (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10S.)	-
10.70	County of San Diego Gas Franchise (Ordinance No.5669). (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10T.)	-

Exhibit No.	Description	Sequential Page No. in manually Signed Original
10.71	Supplemental Pension Agreement with Thomas A. Page, dated as of April 3, 1978. (Incorporated by reference from SDG&E's 1988 Form 10-K - Exhibit 10V.)	-
10.72	Lease agreement dated as of June 15, 1978 with Lloyds Bank California, as owner-trustee and lessor - Exhibit B to financing agreement of SDG&E's Encina Unit 5 equipment trust. (Incorporated by reference from SDG&E's 1988 Form 10-K -Exhibit 10W.)	-
* 21	Subsidiaries of Registrant.	
23.1	Consent of Pillsbury Madison & Sutro (included as part of Exhibit 5).	-
23.2	Consent of Deloitte & Touche LLP.	
24	Power of Attorney (included in Part II of Registration Statement).	-
* 99.1	Form of Proxy for SDG&E Common Stock and SDG&E Cumulative Preferred Stock.	
* 99.2	Form of Proxy for SDG&E Preference Stock (Cumulative).	

* To be filed by amendment.

The Forms 10-K and 10-Q referred to above were filed under Commission File Number 1-3779.

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of SDO Parent Co., Inc. on Form S-4 of the report of Deloitte & Touche dated February 25, 1994 (which report expresses an unqualified opinion and contains an explanatory paragraph referring to the Company's consideration of alternative strategies for its 80 percent owned subsidiary, Wahlco Environmental Systems, Inc.), incorporated by reference in the Annual Report on Form 10-K, as amended, of San Diego Gas & Electric Company for the year ended December 31, 1993 and to the reference to Deloitte & Touche LLP under the heading "Experts" in the Proxy Statement and Prospectus, which is part of this Registration Statement.

DELOITTE & TOUCHE LLP

San Diego, California
December 21, 1994