

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name SAN DIEGO GAS & ELECTRIC COMPANY		2 Issuer's employer identification number (EIN) 95-1184800	
3 Name of contact for additional information STEVE OLIVIER	4 Telephone No. of contact (619) 696-2530	5 Email address of contact solivier@sempra.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 101 ASH STREET, ATTN: TAX DEPARTMENT HQ-07		7 City, town, or post office, state, and Zip code of contact SAN DIEGO, CA 92101	
8 Date of action OCTOBER 15, 2013		9 Classification and description PREFERRED STOCK and PREFERENCE STOCK	
10 CUSIP number SEE ATTACHED	11 Serial number(s)	12 Ticker symbol SEE ATTACHED	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On October 15, 2013, the taxpayer, San Diego Gas & Electric Company, redeemed all of the issued and outstanding shares of its Cumulative Preferred Stock and Preference Stock (Cumulative) from the holders of record as of October 15, 2013 for cash. This redemption was made at the option of the taxpayer pursuant to the redemption provisions of the taxpayer's Restated Articles of Incorporation, As Amended.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attached

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A total of 3,413,770 shares of Cumulative Preferred Stock and Preference Stock (Cumulative) were redeemed by San Diego Gas & Electric Company at its face value of \$81,393,842.50. In addition, a dividend in the amount of \$1,204,917.10 was included in the redeeming of shares resulting in a total redemption of \$82,598,759.60.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC §302 (a)

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Reportable Year 2013.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 11/24/13

Print your name ▶ Robert Schlax Title ▶ VP- Controller & CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶			
Firm's address ▶	Phone no.			

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

San Diego Gas & Electric Company
 FEIN: 95-1184800
 Tax Year Ending: December 31, 2013
 Federal Form 8937

Form 8937, Part I:

Class	Line 10: CUSIP Number	Line 12: Ticker Symbol
5% Series PFD	797440 401	SDO A
4.6% Series PFD	797440 807	SDOGP
4.50% Series PFD	797440 302	SDO B
4.40% Series PFD	797440 203	SDO C
\$1.82 Preference	797440 815	SDO H
\$1.70 Preference	797440 823	SDOGI

Form 8937, Part II:

Line 15:

Class	# Shares	Call Price	Redemption	Div Rate	Dividend	Total Redemption
SAN DIEGO GAS & ELECTRIC 5% PREFERRED	375,000	\$ 24.00	\$ 9,000,000.00	\$ 0.250	\$ 93,750.00	\$ 9,093,750.00
SAN DIEGO GAS & ELECTRIC 4.6% PREFERRED	373,770	\$ 20.25	\$ 7,568,842.50	\$ 0.230	\$ 85,967.10	\$ 7,654,809.60
SAN DIEGO GAS & ELECTRIC 4.5% PREFERRED	300,000	\$ 21.20	\$ 6,360,000.00	\$ 0.225	\$ 67,500.00	\$ 6,427,500.00
SAN DIEGO GAS & ELECTRIC 4.4% PREFERRED	325,000	\$ 21.00	\$ 6,825,000.00	\$ 0.220	\$ 71,500.00	\$ 6,896,500.00
SAN DIEGO GAS & ELECTRIC \$1.70 PREFERENCE	1,400,000	\$ 25.00	\$ 35,000,000.00	\$ 0.425	\$ 595,000.00	\$ 35,595,000.00
SAN DIEGO GAS & ELECTRIC \$1.82 PREFERENCE	640,000	\$ 26.00	\$ 16,640,000.00	\$ 0.455	\$ 291,200.00	\$ 16,931,200.00
	3,413,770		\$ 81,393,842.50		\$ 1,204,917.10	\$ 82,598,759.60