

**EXHIBIT 12.1**  
**SAN DIEGO GAS & ELECTRIC COMPANY**  
**COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES**  
**AND PREFERRED STOCK DIVIDENDS**  
(Dollars in millions)

	1999	2000	2001	2002	2003	Six months ended June 30, 2004
Fixed Charges and Preferred Stock Dividends:						
Interest	\$ 131	\$ 119	\$ 96	\$ 83	\$ 78	\$ 37
Interest portion of annual rentals	5	3	3	4	3	1
Total fixed charges	136	122	99	87	81	38
Preferred stock dividends (1)	10	13	11	9	9	4
Combined fixed charges and preferred stock dividends for purpose of ratio	<u>\$ 146</u>	<u>\$ 135</u>	<u>\$ 110</u>	<u>\$ 96</u>	<u>\$ 90</u>	<u>\$ 42</u>
Earnings:						
Pretax income from continuing operations	\$ 325	\$ 295	\$ 324	\$ 300	\$ 488	\$ 155
Total fixed charges (from above)	136	122	99	87	81	38
Less: interest capitalized	1	3	1	1	1	-
Total earnings for purpose of ratio	<u>\$ 460</u>	<u>\$ 414</u>	<u>\$ 422</u>	<u>\$ 386</u>	<u>\$ 568</u>	<u>\$ 193</u>
Ratio of earnings to combined fixed charges and preferred stock dividends	<u>3.15</u>	<u>3.07</u>	<u>3.84</u>	<u>4.02</u>	<u>6.31</u>	<u>4.60</u>

(1) In computing this ratio, "Preferred stock dividends" represents the before-tax earnings necessary to pay such dividends, computed at the effective tax rates for the applicable periods