

SUBCOMMITTEE ON SUPPLIER AND WORKFORCE DIVERSITY

UPDATE: SUPPLIER DIVERSITY IN FINANCIAL SERVICES

UTILITY DEBT INCLUSION OF
MINORITY, WOMEN, DISABLED VETERAN BUSINESS
ENTERPRISE INVESTMENT BANKS

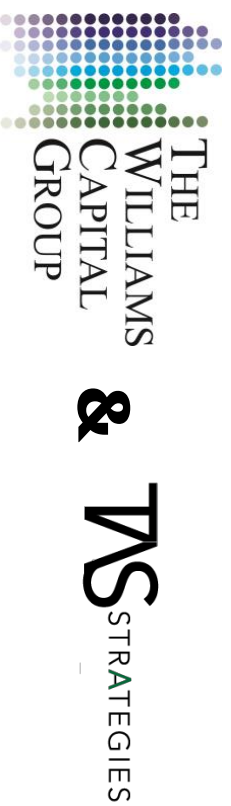




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EXECUTIVE SUMMARY



- Utility bond issuance was down 7.8% 1H17 vs. 1H16
 - 1H17 \$33.1 bil vs. \$35.8 bil in 1H16
- In 1H17, 19 out of 25 states (76%) with utility bond issuance utilized MWDVBE investment banks
 - 2016 rate was 25 out of 31 states (81%)
 - 2015 rate was 22 out of 33 states (67%)
- Colorado, Iowa, Oklahoma, Michigan, North Dakota and West Virginia utilities issued debt in 1H17, but those states used no MWDVBE investment banks
 - Colorado and Michigan have not used MWDVBE investment banks in 2016 or 2017



- Virginia Electric used MWDVBE banks for the first time
- Holding companies often do not use MWDVBE banks, preferring to use them at the operating company (i.e. regulated) level
- Utilities which do not engage MWDVBE banks deal exclusively with their “revolver banks”

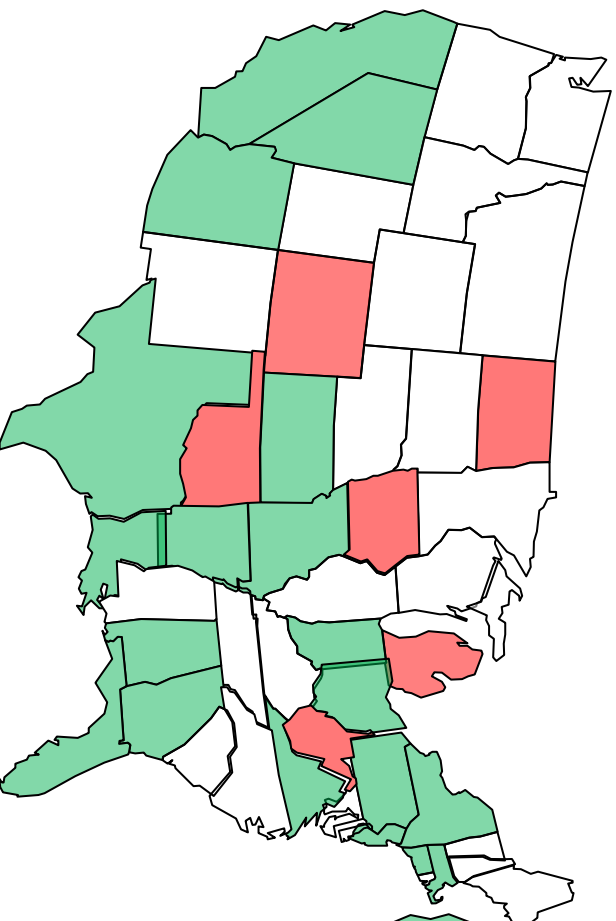
UNITED STATES OVERVIEW



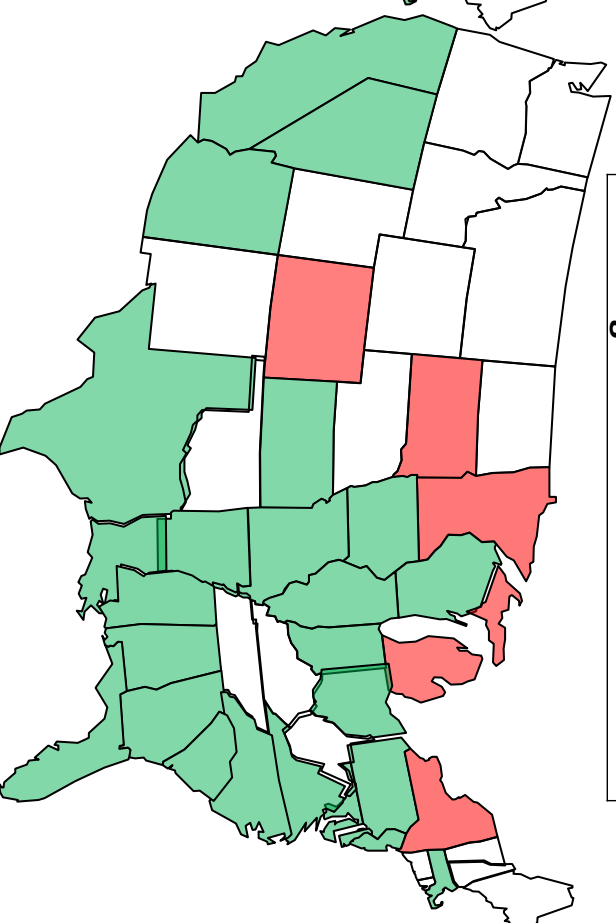
UNITED STATES OVERVIEW – 2016 AND 1H17

Repeat states with no MWDVBE bank participation include CO and VA

1H17	
States with Issuance	25
MWDVBE Bank used?	19
Percentage	76%



2016	
States with Issuance	31
MWDVBE Bank used?	25
Percentage	81%









State utility(ies) used MWDVBE banks
No use of MWDVBE banks by state utility(ies)
No utility bond issuance



WMDVBE LEAD MANAGER MANDATES

WMDVBE LEAD MANAGER MANDATES 2016 AND 1H17

Duke Energy Ohio and San Diego Gas & Electric sustain their commitment

 <p>\$350M 3.70% FMB due 2046</p> <p>Loop Capital Markets LLC Bookrunners</p> <p>March 2017</p>	 <p>\$250M 3.70% FMB due 2046</p> <p>The Williams Capital Group, L.P. Loop Capital Markets LLC Samuel A. Ramirez & Co Inc Lebenthal & Co LLC Mischer Financial Group Bookrunners</p> <p>June 2016</p>
 <p>\$400M 3.75% FMB due 2047</p> <p>CastleOak Securities Bookrunner</p> <p>June 2017</p>	 <p>\$500M 2.60% FMB due 2026</p> <p>Samuel A. Ramirez & Co Inc Bookrunner</p> <p>May 2016</p>
 <p>\$500M 2.50% FMB due 2026</p> <p>Loop Capital Markets LLC Bookrunner</p> <p>May 2016</p>	 <p>\$600M 2.95% Notes due 2026</p> <p>The Williams Capital Group, L.P. Bookrunner</p> <p>February 2016</p>

ECONOMICS OF LEAD- AND CO-MANAGERS

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PROSPECTUS SUPPLEMENT
(To Prospectus dated July 13, 2015)

\$400,000,000

San Diego Gas & Electric Company

3.750% First Mortgage Bonds, Series RRR, due 2047

The 3.750% First Mortgage Bonds, Series RRR, due 2047 (the "Series RRR Bonds") will mature on June 1, 2047. Interest on the Series RRR Bonds will be paid semi-annually on June 1 and December 1 of each year, beginning on December 1, 2017. The Series RRR Bonds will be redeemable prior to maturity, at our option, at the redemption price and under the circumstances described in this prospectus supplement.

Investing in the Series RRR bonds involves risks. See the "Risk Factors" section on page S-4 of this prospectus supplement.

Public offering price(1)	The Series RRR bond	Total
Underwriting discount	99.554%	\$38,216,000
Proceeds to San Diego Gas & Electric Company (before expenses)(1)	0.879%	\$ 3,500,000
	98.679%	\$394,716,000

(1) Plus accrued interest from June 8, 2017 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect the Series RRR bonds will be ready for delivery through The Depository Trust Company on or about June 8, 2017.

Joint Book-Running Managers

CastleOak Securities, L.P. Credit Agricole CIB Credit Suisse Goldman Sachs & Co. LLC SMBC Nikko

Co-Managers

Academy Securities

Aplo Partners, LLC

June 5, 2017

Name	Underwriting Liability	Gross Fees	
CastleOak Securities, L.P.	\$40,000,000	\$350,000	10%
Credit Agricole Securities (USA)	\$84,000,000	\$735,000	21%
Credit Suisse Securities (USA) LI	\$84,000,000	\$735,000	21%
Goldman Sachs & Co. LLC	\$84,000,000	\$735,000	21%
SMBC Nikko Securities America	\$84,000,000	\$735,000	21%
Academy Securities, Inc.	\$12,000,000	\$105,000	3%
Aplo Partners, LLC	\$12,000,000	\$105,000	3%
Total	\$400,000,000	\$3,500,000	100%



UTILITY DETAIL BY STATE

1H17 UTILITY ISSUANCE AND MWDVBE PARTICIPATION

AL	AR	AZ	CA
ALABAMA POWER CO	ENERGY ARKANSAS INC	ARIZONA PUBLIC SERVICE	EDISON INTERNATIONAL
Academy Securities Inc	Mischler Financial Group	Drexel Hamilton	(Exclusively revolver banks)
Samuel A Ramirez & Co Inc	Williams Capital Group LP		
Williams Capital Group LP			

CA	CA	CA	CA
PACIFIC GAS & ELECTRIC	SAN DIEGO G & E	SEMPRA ENERGY	SOUTHERN CAL EDISON
Blaylock Beal Van LLC	CastleOak Securities	(Exclusively revolver banks)	Apto Partners LLC
MFR Securities Inc	Academy Securities Inc		Guzman & Co
	Apto Partners LLC		Telsey Advisory Group
			Williams Capital Group LP

CO	CT	DC	FL
PUBLIC SERVICE COLORADO	CONNECTICUT LIGHT & PWR	POTOMAC ELECTRIC POWER	DUKE ENERGY FLORIDA LLC
(Exclusively revolver banks)	Ramirez & Co Inc	Drexel Hamilton	Lebenthal & Co LLC
			Mischler Financial Group
			Williams Capital Group LP
(Lead Manager role)			

1H17 UTILITY ISSUANCE AND MWDVBE PARTICIPATION

FL	FL	GA	GA
GULF POWER CO	NEXTERA ENERGY CAPITAL	GEORGIA POWER CO	SOUTHERN CO GAS CAPITAL
Apto Partners LLC	(Exclusively revolver banks)	CL King & Associates	CastleOak Securities
Drexel Hamilton LLC		Loop Capital Markets LLC	Loop Capital Markets LLC
		Siebert Capital Markets	MFR Securities

IA	IN	IN	KS
MIDAMERICAN ENERGY CO	INDIANA MICHIGAN POWER	NISOURCE FINANCE CORP	WESTAR ENERGY INC
(Exclusively revolver banks)	(Exclusively revolver banks)	Mischler Financial Group	Samuel A Ramirez & Co Inc
		Williams Capital Group LP	

LA	MA	MA	MI
ENTERGY LOUISIANA LLC	EVERSOURCE ENERGY	NSTAR ELECTRIC CO	CMS ENERGY CORP
Loop Capital Markets LLC	Samuel A Ramirez & Co Inc	Williams Capital Group LP	(Exclusively revolver banks)

1H17 UTILITY ISSUANCE AND MWDVBE PARTICIPATION

MI	MI	MO	MO
CONSUMERS ENERGY CO	DTE ENERGY CO	GREAT PLAINS ENERGY INC	KANSAS CITY POWER & LT
(Exclusively revolver banks)	(Exclusively revolver banks)	(Exclusively revolver banks)	MFR Securities Inc
			Samuel A Ramirez & Co Inc

MO	ND	NJ	NV
UNION ELECTRIC CO	BASIN ELECTRIC PWR COOP	PUBLIC SERVICE ELECTRIC	SOUTHERN CO GAS CAPITAL
Academy Securities Inc	(Exclusively revolver banks)	Williams Capital Group LP	Loop Capital Markets LLC
CastleOak Securities			Williams Capital Group LP
Ramirez & Co Inc			

NY	NY	NY	OH
CONSOLIDATED EDISON INC	ROCHESTER GAS & ELECTRIC	CONSOLIDATED EDISON CO O	APPALACHIAN POWER CO
(Exclusively revolver banks)	(Exclusively revolver banks)	Samuel A Ramirez & Co Inc	(Exclusively revolver banks)
		Williams Capital Group LP	

1H17 UTILITY ISSUANCE AND MWDVBE PARTICIPATION

OH	OH	OK	PA
DUKE ENERGY OHIO INC	FIRSTENERGY CORP	OKLAHOMA G&E CO	PPL ELECTRIC UTILITIES
Loop Capital Market LLC	(Exclusively revolver banks)	(Exclusively revolver banks)	(Exclusively revolver banks)

PA	TX	TX	VA
EXELON GENERATION CO LLC	ATMOS ENERGY CORP	CENTERPOINT ENER HOUSTON	DOMINION ENERGY INC
Academy Securities Inc	(Exclusively revolver banks)	Williams Capital Group LP	(Exclusively revolver banks)
Loop Capital Markets LLC			
Mischler Financial Group			

VA	WV
VIRGINIA ELEC & POWER CO	MONONGAHELA POWER CO
CastleOak Securities	(Exclusively revolver banks)
Loop Capital Markets LLC	
(Lead Manager role)	



METHODOLOGY

METHODOLOGY AND SOURCES

- Analysis includes utility bonds with the following characteristics:
 - Fixed-rate coupon
 - Maturities of 2-years or more
 - Issue size of \$250 million or more
 - Investment grade ratings
 - Moody's Baa3 and above
 - Standard and Poor's BBB and above
- *Source: Bloomberg, L.P, The Williams Capital Group, L.P.*