

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

	2002	2003	2004	2005	2006	Six months ended 39263
Fixed Charges and Preferred Stock Dividends:						
Interest	\$ 83	\$ 78	\$ 71	\$ 77	\$ 102	\$ 50
Interest portion of annual rentals	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>1</u>
Total fixed charges	85	80	73	80	105	51
Preferred stock dividends (1)	<u>9</u>	<u>9</u>	<u>8</u>	<u>6</u>	<u>8</u>	<u>4</u>
Combined fixed charges and preferred stock dividends for purpose of ratio	<u>\$ 94</u>	<u>\$ 89</u>	<u>\$ 81</u>	<u>\$ 86</u>	<u>\$ 113</u>	<u>\$ 55</u>
Earnings:						
Pretax income from continuing operations	\$ 300	\$ 488	\$ 361	\$ 356	\$ 394	\$ 188
Total fixed charges (from above)	85	80	73	80	105	51
Less: interest capitalized	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total earnings for purpose of ratio	<u>\$ 384</u>	<u>\$ 567</u>	<u>\$ 433</u>	<u>\$ 435</u>	<u>\$ 498</u>	<u>\$ 238</u>
Ratio of earnings to combined fixed charges and preferred stock dividends	<u>4.09</u>	<u>6.37</u>	<u>5.35</u>	<u>5.06</u>	<u>4.41</u>	<u>4.33</u>
Ratio of earnings to fixed charges	<u>4.52</u>	<u>7.09</u>	<u>5.93</u>	<u>5.44</u>	<u>4.74</u>	<u>4.67</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.