

RESOLUTION NUMBER R-289020

ADOPTED ON JULY 29, 1997

WHEREAS, the City of San Diego ("City") and its consultants have reviewed filings at the Federal Energy Regulatory Commission ("FERC"), the California Public Utilities Commission ("CPUC"), and the Securities Exchange Commission ("SEC"), as well as voluminous documents produced in the course of proceedings concerning the proposed merger of Enova Corporation and Pacific Enterprises; and

WHEREAS, there will be a reduction in rates paid by City ratepayers for gas and electricity as a direct result of the proposed merger of ENOVA and Pacific Enterprises; and

WHEREAS, the corporate headquarters of the new Fortune 300 entity resulting from this proposed merger will be sited within the City; and

WHEREAS, the terms and conditions contained in the Memorandum of Understanding between San Diego Gas and Electric Company ("SDG&E") and the City will provide additional benefits to the City and its citizens; and

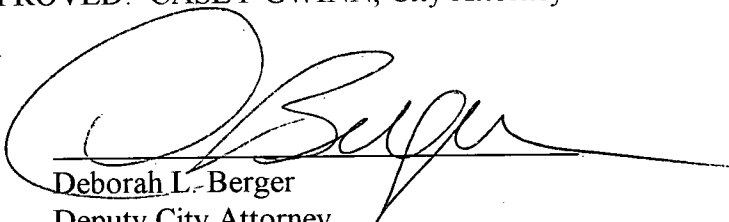
WHEREAS, the City will also participate in proceedings before the CPUC concerning affiliate transactions; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, a Memorandum of Understanding ("MOU") with San Diego Gas & Electric Company, a California corporation, and Enova Corporation, a California corporation, under the terms and conditions set forth in the Agreement on file in the office of the City Clerk as Document No. RR- 289020

BE IT FURTHER RESOLVED, that the City Manager and the City Attorney are hereby authorized to make any non-substantive changes to the MOU, which in their opinion, are in the best interests of the City.

APPROVED: CASEY GWINN, City Attorney

By



Deborah L. Berger
Deputy City Attorney

DLB:pev
8/6/97
Aud.Cert:N/A
Or.Dept:Clerk
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