

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



March 18, 2005

Advice Letter 2614-G/2634-E

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Reinstatement of dividends

Dear Ms de la Torre:

Advice Letter 2614-G/2634-E is effective April 5, 2005. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



**Pacific Gas and
Electric Company**

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code 810C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
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Internet: BKC7@pge.com

February 24, 2005

Advice 2614-G/2634-E
(Pacific Gas and Electric Company ID U 39 M)

Subject: Reinstatement of Dividends

Public Utilities Commission of the State of California:

Pacific Gas and Electric Company (PG&E) hereby submits for filing this notification that PG&E Corporation's Board of Directors has approved the reinstatement of dividends on the Corporation's common stock.

This advice letter is being filed in compliance with Pacific Gas and Electric Company's 2003 GRC decision, D.04-05-055, ordering paragraph (OP) 11d which requires that:

PG&E shall file and serve an advice letter within 10 days of the date that PG&E Corporation announces that it will reinstate the payment of dividends and knows its total earnings and dividend rate. The advice letter shall show retained earnings (total and per share) before and after the award of the \$84.5 million in SrERP bonuses, and the effect, if any, on dividends (total and per share). If the earnings, payment of dividends and the charges for the \$84.5 million (sic) not in the same period, the advice letter shall apply the \$84.5 million in the same period covered by the earnings and dividends. PG&E shall serve a copy of the advice letter or a notice of availability on the service list for Phase 1 of this proceeding.

On February 16, 2005, PG&E Corporation announced the resumption of dividends on its common stock, and its Board of Directors declared a cash dividend of \$0.30 per share payable on April 15, 2005. The dividend will be paid from the Corporation's retained earnings. For illustrative purposes, the table below shows the information requested in OP 11d on a consolidated basis for

PG&E Corporation and demonstrates that shareholders funded the SrERP payment.

PG&E Corporation Retained Earnings and Dividends

	Amount (\$Millions)	Amount (\$/share)
December 31, 2004 Retained Earnings Balance (Excluding January 2004 SrERP payment)	\$ 2,930	\$ 8.01
January 2004 SrERP payment, after taxes (Note 1)	\$ 67	\$ 0.18
February 16, 2005 Dividend Declaration (Note 1)	\$ 110	\$ 0.30
	<hr/>	<hr/>
Retained Earnings Balance less SrERP Payment and February 2005 Dividend	\$ 2,753	\$ 7.53

Note 1: Per share amounts based on estimated number of PG&E Corporation Shares Outstanding on Ex-Dividend Date. "SrERP" refers to the "Senior Executive Retention Program." SrERP payment was accrued for financial purposes in 2001 through 2003.

Comments

PG&E is making this informational filing in compliance with OP 11d of D.04-05-055. PG&E is not requesting any change to its tariffs or terms and conditions of utility service. Anyone wishing to comment on this filing may do so by sending a letter by **March 16, 2005**, which is 20 days from the date of this filing. The comments must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Comments should be mailed to:

IMC Branch Chief – Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Comments also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The comments should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and to the parties on the service list for A.02-11-017. Address changes should be directed to Ms Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

Brian K. Cherry /bc
Director - Regulatory Relations

cc: A.02-11-017

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool
Accent Energy
Aglert Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Chevron USA Production Co.
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
Cooperative Community Energy
CPUC
Creative Technology
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
DGS Natural Gas Services
DMM Customer Services
Douglass & Liddell
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynergy Inc.
Ellison Schneider
Energy Law Group LLP
Energy Management Services, LLC
Enron Energy Services
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Hanna & Morton
Heeg, Peggy A.
Hitachi Global Storage Technologies
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Luce, Forward, Hamilton & Scripps
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
Office of Energy Assessments
Palo Alto Muni Utilities
PG&E National Energy Group
Pinnacle CNG Company
PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
Praxair, Inc.
Price, Roy
Product Development Dept
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
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Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
Transwestern Pipeline Co
Turlock Irrigation District
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA