



- [ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - [ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 - Other Events

***Issuance of Energy Recovery Bonds***

In connection with the California Public Utilities Commission's approval of the December 19, 2003 settlement agreement to resolve Pacific Gas and Electric Company's (Utility) Chapter 11 proceeding, PG&E Corporation and the Utility agreed to seek to refinance the remaining unamortized balance of the \$2.2 billion after-tax regulatory asset established under the settlement agreement and related federal income and state franchise taxes. On February 10, 2005, PG&E Energy Recovery Funding LLC, or PERF, a limited liability company which is wholly owned and consolidated by the Utility, issued approximately \$1.9 billion of energy recovery bonds, or ERBs. PERF is legally separate from the Utility. The Utility is a subsidiary of PG&E Corporation. Repayment of principal and interest on the ERBs is secured by a dedicated rate component, or DRC, to be collected from the Utility's electricity customers as a nonbypassable charge. The Utility, as servicer, will collect and remit DRC charges to PERF to enable PERF to pay the principal and interest on the ERBs. The proceeds of the ERBs were paid by PERF to the Utility and will be used by the Utility to refinance the remaining unamortized balance of the regulatory asset through the redemption and repurchase of debt and higher cost equity. It is anticipated that the second series of ERBs, in an aggregate amount of up to \$1.1 billion, would be issued by PERF in November 2005. The amount of the second series depends on the timing and amount of refunds the Utility receives from energy suppliers through the related proceedings pending at the Federal Energy Regulatory Commission.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PG&E CORPORATION

By: LINDA Y.H. CHENG  
Linda Y.H. Cheng  
Vice President and Corporate Secretary

PACIFIC GAS AND ELECTRIC COMPANY

By: LINDA Y.H. CHENG  
Linda Y.H. Cheng  
Vice President and Corporate Secretary

Dated: February 10, 2005