

The Depository Trust Company

IMPORTANT

B#: 3345

DATE: April 30, 2002

TO: All Participants

CATEGORY: Dividends

FROM: Paul Sorezza, Manager, Dividend Department

ATTENTION: Dividend Managers, Cashiers & Reorganization Managers

SUBJECT: Pacific Gas and Electric Company Commercial Paper

On January 17, 2001, DTC received notification from Citibank, the issuing/paying agent for Pacific Gas and Electric Company, that it would not make payment on maturing Pacific Gas and Electric Company Commercial Paper. (See Important Notice #1338, dated January 19, 2001.) DTC has received notification that on May 6, 2002, Citibank will make an interest compensation payment to holders of Pacific Gas and Electric Company's past due Commercial Paper Notes. Details of the payments may be found on the attached letter from Pacific Gas and Electric Company.

Payments will be generated by DTC and will appear under the activity code for MMI periodic interest payments (code 60-0).

Questions regarding these payments may be directed to Nancy Forte of Citibank at 212-657-7403, Tim Hopkins of PG&E Corporation's Investor Relations Department at 415-973-5621, Paul Sorezza, DTC Dividend Manager at 212-855-4550 or Ed Collins, DTC Settlement Manager at 212-855-5819.

Attachment

April 26, 2002

To DTC Participants and Holders of Commercial Paper of Pacific Gas and Electric Company for the Issues of Commercial Paper Outstanding and Unpaid ("Notes")

Dear Ladies and Gentlemen:

Please be advised that on May 6, 2002, Pacific Gas and Electric Company intends to make a payment of compound interest to holders of the notes ("Noteholders"). Note that this payment is a payment of interest on such notes and will not be applied toward the payment on the principal amount of the notes. Payment will be in the form of cash in immediately available funds, through the Paying Agent for the Commercial Paper, to The Depository Trust Company with proper instructions to effectuate payment on its notes to holders of record on May 3, 2002.

Interest will be an amount based upon a fixed rate of 7.466%, on the face value of each note, a quarterly compounding period beginning April 1, 2001 to and including February 28, 2002, using a day-count basis of 30/360. The rate per \$1,000.00 is \$70.219037.

We ask that each DTC Participant contact their respective beneficial Noteholders and notify them of Pacific Gas and Electric Company's intention to make such payments. Given the unusual nature of the proposed interest payment, we also ask the DTC Participants to investigate whether any special procedures are required to adequately inform the beneficial Noteholders of facts and details of the interest when it is received. Similarly, each Noteholder should coordinate with their respective DTC Participant to ensure that proper payment is received.

Interest will be paid on the following notes:

69430JNH2	69430JPD9
69430JNJ8	69430JPF4
69430JNK5	69430JPG2
69430JNN9	69430JPL1
69430JNP4	69430JPN7
69430JNQ2	69430JPT4
69430JNS8	69430JPU1
69430JNV1	69430JQ14
69430JNW9	69430JQ63

69430JNX7
69430JP23
69430JP56
69430JP64
69430JP80
69430JP98
69430JPC1

69430JQ97
69430JQC0
69430JQE6
69430JQG1
69430JQS5
69430JQV8
69430JQW6

If you have questions, please contact Nancy Forte of Citibank, N.A. at (212) 657-7403 or PG&E Corporation's Investor Relations Department at (415) 267-7080. This information can also be found on the PG&E Corporation website @ www.pgecorp.com

Sincerely,

Pacific Gas and Electric Company

By: _____
Name: Michael J. Donnelly
Title: Assistant Treasurer