

PACIFIC GAS & ELECTRIC CO

Form FWP

March 08, 2007

**Filed Pursuant to Rule 433**  
**Registration No. 333-109994**  
**March 8, 2007**

**PRICING TERM SHEET**  
**5.80% Senior Notes due March 1, 2037**

|                                      |   |
|--------------------------------------|---|
| <b>Issuer:</b>                       | Pacific Gas and Electric Company  |
| <b>Security:</b>                     | 5.80% Senior Notes due March 1, 2037  |
| <b>Size:</b>                         | \$700,000,000   |
| <b>Maturity Date:</b>                | March 1, 2037   |
| <b>Coupon:</b>                       | 5.80%   |
| <b>Interest Payment Dates:</b>       | March 1 and September 1, commencing September 1, 2007                                   |
| <b>Price to Public:</b>              | 99.454%   |
| <b>Benchmark Treasury:</b>           | 4.50% due February 15, 2036   |
| <b>Benchmark Treasury Yield:</b>     | 4.679%  |
| <b>Spread to Benchmark Treasury:</b> | 116 basis points  |
| <b>Yield:</b>                        | 5.839%  |
| <b>Optional Redemption:</b>          | Make-Whole Call at Treasuries plus 25 basis points                                      |
| <b>Expected Settlement Date:</b>     | March 13, 2007  |
| <b>CUSIP:</b>                        | 694308 GJ0  |
| <b>Anticipated Ratings:</b>          | Baa1 by Moody's Investors Service, Inc.<br>BBB by Standard & Poor's Ratings Services    |
| <b>Joint Book-Running Managers:</b>  | Barclays Capital Inc.<br>Citigroup Global Markets Inc.<br>Deutsche Bank Securities Inc. |
| <b>Co-Managers:</b>                  | ABN AMRO Incorporated   |

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BNY Capital Markets, Inc.  
Loop Capital Markets, LLC  
The Williams Capital Group, L.P.

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

**The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering.**

**You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll free at 1-888-227-2275, Ext. 2663; Citigroup Global Markets Inc. toll free at 1-877-858-5407; or Deutsche Bank Securities Inc. toll free at 1-800-503-4611.**