

From: Cherry, Brian K
Sent: 9/8/2010 5:30:56 PM
To: 'tas@cpuc.ca.gov' (tas@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fw: Senior Notes Priced @ 3.5% / Lowest PG&E Coupon Ever

I thought you like to hear about the latest deal and the next one. Please keep the upcoming deal and the firm on the QT.

From: Bijur, Nicholas M.
To: Cherry, Brian K
Cc: Harvey, Kent M; Kapil, Vivek
Sent: Wed Sep 08 17:29:12 2010
Subject: RE: Senior Notes Priced @ 3.5% / Lowest PG&E Coupon Ever

We are also about to launch another transaction with Siebert Brandford Shank as a joint bookrunner (equal economics, equal responsibilities). We will let you know as soon as it is public.

From: Cherry, Brian K
Sent: Wednesday, September 08, 2010 5:28 PM
To: Bijur, Nicholas M.
Cc: Harvey, Kent M; Kapil, Vivek
Subject: Re: Senior Notes Priced @ 3.5% / Lowest PG&E Coupon Ever

Great news. Thanks Nick. I will pass that along to Commission Simon also.

From: Bijur, Nicholas M.
To: Cherry, Brian K
Cc: Harvey, Kent M; Kapil, Vivek
Sent: Wed Sep 08 17:25:31 2010
Subject: FW: Senior Notes Priced @ 3.5% / Lowest PG&E Coupon Ever

Brian,

FYI, Aladdin Capital (minority-owned bank) was a co-manager on the transaction and earned 8.3% of the economics (\$300k), which is the same as US Bank and Union Bank of California, two of our large credit banks. Aladdin was allocated bonds and was actively involved in the transaction from the beginning (both rare for any co-manager).

I have attached an email from Aladdin, which indicates that they are very happy with their involvement, which they will share with Commissioner Simon.

Nick

<<RE: Aladdin Capital order book>>

From: Bijur, Nicholas M.

Sent: Wednesday, September 08, 2010 5:18 PM

To: Darbee, Peter; Harvey, Kent M; Johns, Christopher; Park, Hyun; Mistry, Dinyar; Cherry, Sara A; Togneri, Gabriel; Kapil, Vivek; Wetter, Margaret; Lee, Kenneth; Lew, Stella; DeSanze, Christine M. (Law); Hayes, Kathleen (Law); Ludemann, Doreen (Law); Peterson, Brian; Porter, Sarah; Pagedar, Sujata; Tappero, Kathleen; Dore, Jay

Subject: Senior Notes Priced @ 3.5% / Lowest PG&E Coupon Ever

Peter, Kent and Chris,

We priced \$550 million of 10-year senior unsecured notes today at 3.50%, which ties for the fifth lowest 10-year coupon in modern history (the other four companies were all higher rated), and represents PG&E's lowest coupon ever (or as far back as we have data).

We launched the transaction this morning at \$400 million and price guidance of Treasuries + 90-95 bps. Strong demand enabled us to tighten the pricing (T+90) and increase the size of the transaction to \$550 million. Record low treasury rates allowed us to issue long-term debt approximately 250 bps below our authorized cost of debt.

Of note, one new feature included in this transaction is that we were able to include a par call three months prior to maturity at no additional cost, which will provide valuable flexibility in the future.

As always, the team did a great job putting us in a position to access the markets at such favorable rates. We will continue to monitor the capital markets as we plan to be in the market again later this year or early next year.

Please let us know if you have any questions. We will distribute the transaction snapshot shortly which will include more detailed information.

Nicholas Bijur

Treasurer

Pacific Gas and Electric Company

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