

The Depository Trust Company

IMPORTANT

B#: 1340

DATE: January 19, 2001

TO: DTC Participants, Pledges and Settling Banks

CATEGORY: Settlement/Underwriting

FROM: Settlement Department

ATTENTION: Operations Manager/Cashier/Settlement Manager

SUBJECT: Money Market Instrument (MMI)
Issuer Failure - Pacific Gas and Electric Corp. (PSG2)

DTC has received notification from Citibank, the issuing/paying agent for Pacific Gas and Electric Corp. (PG&E) Commercial Paper (CP), base issuer CUSIPs 6933A2 and 6933A3, that Citibank refuses to pay interest and maturity proceeds for this issuer's CP that is due and payable through DTC. Therefore, in accordance with DTC's rules and procedures, all interest and maturity presentments for this MMI Issue will not be completed.

For further information on the reason for nonpayment, participants may contact the following at Citibank:

Bill Kiziuk (813) 604-1037
Anthony Murphy (212) 559-9595

Questions regarding this notice may be directed to Diana Downward, Settlement Group Director, at (212) 855-8666.

Cheryl T. Lambert
Vice President
Operations