

MADISON GAS & ELECTRIC CO
Form FWP
December 22, 2006

Filed pursuant to Rule 433

Registration No. 333-135401

December 22, 2006

Madison Gas and Electric Company

Pricing Term Sheet

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| Issuer: | Madison Gas and Electric Company |
| Title of Securities: | 5.25% Medium-Term Notes due 2017 |
| Legal Format: | SEC-registered (Registration No. 333-135401) |
| Size: | \$30,000,000 |
| Maturity: | January 15, 2017 |
| Coupon: | 5.25% |
| Issue Price: | 99.727% of principal amount |
| Yield to Maturity: | 5.285% |
| Spread to Benchmark Treasury: | + 70 basis points (0.700%) |
| Benchmark Treasury: | 4.625% due November 15, 2016 |
| Benchmark Treasury Yield: | 4.585% |
| Interest Payment Dates: | January 15 and July 15, commencing July 15, 2007 |
| Redemption Provisions: | |
| Make-whole call | At any time at a discount rate of Treasury rate plus 15 basis points |
| Settlement: | December 29, 2006 (T+4) |
| CUSIP: | 557497AQ7 |
| Ratings: | Aa3 (Moody s); AA- (S&P) |

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. Alternatively, the issuer, the underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling JPMorgan collect at 212-834-4533.