Addendum To The Supplemental Settlement Agreement On Streetlight Rate Design Issues In PG&E's Application 06-03-005

I. INTRODUCTION

By this Addendum, Pacific Gas and Electric Company (PG&E) and the California City-County Streetlight Association (CAL-SLA) (jointly, the Parties) agree to amend the Supplemental Settlement Agreement on Streetlight Rate Design Issues In PG&E's Application 06-03-005 (the Streetlight Settlement), as executed by the Parties and subsequently adopted by the California Public Utilities Commission (Commission) in Decision (D.) 07-09-004. This Addendum would expressly grant PG&E additional flexibility to defer implementation of certain elements of the Streetlight Settlement.

II. BACKGROUND

Under the Streetlight Settlement, the rates for customers served under Schedules OL-1, LS-1 and LS-2 were determined using a standard calculation methodology whereby all lamp types were divided into wattage ranges, and the monthly energy bill for each lamp, current or new, would be calculated using the lamp's wattage and a ballast factor pre-determined by each wattage range. PG&E proposed to define this methodology in Schedules LS-1 and LS-2 so any type or size of streetlight could be billed without further Commission approval of specific rates for each lamp type and size. PG&E included draft tariffs to this effect in the Streetlight Settlement.

Since PG&E is able to bill all lamps and wattage currently listed in the tariffs without additional changes to its billing systems, PG&E inadvertently failed to address systems changes that would be required to automatically add new lamps and/or wattages as envisioned by the original proposal. These systems changes cannot be implemented

on January 1, 2008. Therefore, the Parties have agreed to modify the Streetlight Settlement to provide flexibility with regard to the implementation of this proposal.

III. SPECIFIC REVISIONS

The Parties agree to add the following provision to the Streetlight Settlement as Section F of Part VI of that agreement.

> **F. Timing of Rate Changes:** Certain elements of this Streetlight Settlement require employee training and/or changes to PG&E systems beyond a normal change to a rate value. Specifically, these include employee training and systems changes that would be required to accelerate the process for adding new types and sizes of streetlight lamps to PG&E's portfolio of streetlight rates. These training and systems changes will be implemented by PG&E as time permits and in a manner consistent with maintaining the secure, smooth operations of systems involved. Until then, however, PG&E will add new streetlight rates by Advice Letter filing as it has in the past.

The Parties also agree to revise the text of Schedules LS 1 and LS 2 appended to the Streetlight Settlement to reflect deferral of the issue described in Section F, above. Specifically, PG&E would modify the "Rates" section of proposed Schedules LS-1 and LS-2 as follows:

Delete: "Rates are separated into two parts: facility and energy."

Insert: "The total monthly charge per lamp is equal to the sum of the facility charge and the energy charge."

And

Delete: "Total bundled monthly energy charges for the most common lamps billed by PG&E on the approval date of this tariff are shown below. Subsequent additional lamps billed within the wattage ranges listed in the ballast factor table will be calculated using the same formula shown above."

Insert: "Total bundled monthly facility and energy charges are shown below."

IV. ADDENDUM EXECUTION

This document may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Addendum shall become effective among the Parties on the date the last Party executes the Addendum, as indicated below. In witness whereof, intending to be legally bound, the Parties hereto have duly executed this Addendum on behalf of the Party they represent.

The undersigned represent that they are authorized to sign on behalf of the Party represented.

California City-County Street Light Association

By: /s/
Reed Schmidt

Title: Energy Economist

Date: October 19, 2007

Pacific Gas and Electric Company

By: /s/
Daniel Pease

Title: Manager, Electric Rates

Date: October 19, 2007