

From: Yura, Jane  
Sent: 5/13/2010 10:50:39 AM  
To: Pocta, Robert M. (rmp@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: PG&E taxes

Mark,

Thanks for catching up on Tuesday. I checked into the question on taxes in the RO model, and similar to what you were thinking, here is what [Redacted] walked through with Jean -- that reducing Capex and seeing an increase in Income tax happens because the reduction in expense outweighs the reduction in Ratebase. Let me know if there are still issues, and if we need to have [Redacted] come to go through the detail with your team,

Jane