

From: Zafar, Marzia  
Sent: 4/1/2011 3:21:57 PM  
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)  
Cc:  
Bcc:  
Subject: RE: Estimated Incremental Economic Stimulus Spending Summary

got it. thanks

**From:** Cherry, Brian K [mailto:BKC7@pge.com]  
**Sent:** Friday, April 01, 2011 3:19 PM  
**To:** Zafar,  
Marzia  
**Subject:** RE: Estimated Incremental Economic Stimulus Spending  
Summary

No. Wrong. Spending \$800 in cap ex will absorb the cash impact of bonus depreciation, which I believe is less. How much bonus effects the bottom line is much less (but I don't have the calculation of that). If we get all tied up in resolutions and we don't spend the money, the amount going back to the customer as a direct result of bonus depreciation is much less due to lack of manufacturers discount, other tax liabilities, etc.

**From:** Zafar, Marzia  
[mailto:marzia.zafar@cpuc.ca.gov]  
**Sent:** Friday, April 01, 2011 3:15  
PM  
**To:** Cherry, Brian K  
**Subject:** RE: Estimated Incremental  
Economic Stimulus Spending Summary

oh okay, so the impact of the bonus depreciation for PG&E is about \$800 million, right? so, you're expecting to get \$800 million from the Federal government as a result of your capital investment and you are saying that you will in turn turn around and use that to make additional capital investments rather than pocket it or pay dividends or do something

else? sorry for my use of regular language but that's the only way I understand things.

**From:** Cherry, Brian K [mailto:BKC7@pge.com]  
**Sent:** Friday, April 01, 2011 3:11 PM  
**To:** Zafar, Marzia  
**Subject:** RE: Estimated Incremental Economic Stimulus Spending Summary

If we get the current resolution withdrawn, voted down, or revised to reflect what was said in Resolution Version 2, we are committed to spending \$800 in incremental capital investment to capture the impact of bonus depreciation.

**From:** Zafar, Marzia [mailto:marzia.zafar@cpuc.ca.gov]  
**Sent:** Friday, April 01, 2011 3:08 PM  
**To:** Cherry, Brian K  
**Subject:** RE: Estimated Incremental Economic Stimulus Spending Summary

hi there,

so, I don't really understand what the attachment is saying... is PG&E going to spend \$800 million in the next two years on those projects regardless of the bonus depreciation or as a result of the bonus depreciation??

marz

**From:** Perlstein, Joel T.  
**Sent:** Friday, April 01, 2011 2:49 PM  
**To:** Lindh, Frank; Galvin, Michael J.; Zafar, Marzia

**Subject:** FW: Estimated Incremental Economic Stimulus Spending Summary

fyi

**From:** Cherry, Brian K [mailto:BKC7@pge.com]  
**Sent:** Friday, April 01, 2011 8:04 AM  
**To:** Aguilar, Arocles;  
Perlstein, Joel T.; Sandoval, Catherine J.K.  
**Cc:** Buchsbaum, Craig  
(Law); Hughes, John (Reg Rel); Dore, Jay; [Redacted]  
**Subject:** FW:  
Estimated Incremental Economic Stimulus Spending Summary

Catherine/Joel/Arocles - attached is the estimate of the types of spend and timelines for that spend that you requested. I will ask John Hughes to work with Joel and Arocles if you need additional information.

---

**From:** Dore, Jay  
**Sent:** Friday, April 01, 2011 7:36 AM  
**To:** [Redacted]  
(Law); Cherry, Brian K; Hughes, John (Reg Rel)  
**Cc:** Buchsbaum, Craig (Law); Harvey, Kent M; Cherry, Sara A; Ha, Trung Q; Thomason, David S; Caron, Mark T; Garcia, Jenny (Finance); [Redacted]  
[Redacted]

**Subject:** Estimated Incremental Economic Stimulus Spending Summary

Privileged and Confidential

Ann, Brian, and John:

Attached please find the updated one-page summary of estimated potential incremental economic stimulus spending. The summary includes review and edits by Ann, [Redacted] Bill Manheim, Alynn Delisle, Chuck Marre, Trung Ha, and Bruce Fraser.

Jay Dore | Economic & Project Analysis | PG&E | 415-973-3200 (O) | 415-517-8046 (C) |

<<2011-2012 Estimated Incremental  
Economic Stimulus v1.doc>>