



PG&E Tree Trimming IBEW 1245 Representation

June 29, 2012



Financial and Diversity Implications For Full IBEW Representation With Tree Trimming

Summary of IBEW 1245 Tree Trimming Spend *

- **2012 forecast is for PG&E to spend ~\$133M with Tree Trimming contractors in 2012:**
 - Total Spend with IBEW primes: \$129M (97%) of which \$8M is with non – IBEW sub contractors
 - Total spend with non union primes: \$4M (3%) of which zero to minimal is with non – IBEW sub contractors
 - Total spend with non IBEW contractors: \$8M + \$4M = \$12M

Estimated PG&E Cost Increase for 100% IBEW 1245 Affiliation

- Estimate approximately 25% (20% wage and 5% back office) increase on the \$12M spend. \$2.4M increase for wages and \$0.6M for back office for a total of: \$3.0M or 25%

Change Management – Supplier diversity

- Our belief is, if required that most non signatory contractors/subcontractors will agree to become signatory to IBEW; there may be a few small specialized contractors who refuse based on their total employee size and part time work for PG&E
- LOB approval

* Does not include ~\$35M in Pre-Inspection (ACRT, DRG, WECl) and Forestry (High Country Forestry, Brenton VMS) work

Reference: 2012 Forecasted spend calculated from the May 2012 PG&E Supplier Spend file straight-line forecast on May actuals