



**SoCalGas**

A  Sempra Energy utility

# INVEST DEVELOP PARTNER

SUPPLIER DIVERSITY | 2014 Annual Report | 2015 Annual Plan



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# INVEST DEVELOP PARTNER

*... we have attained unprecedented success in meeting our supplier diversity goals. In 2014, our purchases with WMDVBES reached a record 48.4 percent, representing the seventh year in a row we exceeded our internal target ...*

**Supplier diversity means more to us than just providing contract opportunities to woman-, minority- and service-disabled veteran business enterprises (WMDVBES), and now lesbian, gay, bisexual and transgender (LGBT) business enterprises.**

SoCalGas® has long been committed to working with diverse businesses. This commitment has been key to our mission of providing safe and reliable natural gas to customers at reasonable rates, while bringing economic benefits as well as job growth to local communities.

We want our Supplier Diversity Program activities to have a long-lasting and greater impact on the 677 WMDVBES working with us and the many organizations and groups that share our objective to promote the advancement of diverse suppliers.

We have made it a priority to invest our time and resources in comprehensive supplier diversity initiatives, provide technical assistance and development programs to help foster the long-term success of diverse suppliers, and form partnerships to extend our reach to WMDVBES.

Over the years, these activities have led to stronger, more robust firms, job growth, and a boost to local communities throughout our service area.

At the same time, we have attained unprecedented success in meeting our supplier diversity goals. In 2014, our purchases with WMDVBES reached a record 48.4 percent, representing the seventh year in a row we exceeded our internal target of 35 percent and the 22nd straight year we've exceeded the California Public Utilities Commission's (CPUC) goal of 21.5 percent.

Through our investments, development programs and partnerships, we know we can maintain our momentum in supplier diversity and continue to make a meaningful difference for our suppliers and communities.

## PRESIDENT AND CEO'S MESSAGE



**At SoCalGas, supplier diversity isn't just a program or a department. It is an integral part of our strategy, our commitment to diversity in action and a smart and effective way to run our business.**

When we invest in diverse suppliers, provide them with development opportunities and partner with organizations that support supplier diversity, we contribute to the well-being of our communities. The results are a stronger economy and thriving woman-, minority- and service-disabled veteran business enterprises (WMDVBEs).

Our outreach programs deliver results. In 2014, we achieved another record year, spending \$571.4 million with diverse firms, or 48.4 percent of our total procurement. This was the third straight year we broke through the 40 percent mark. In the past 35 years, our spending with diverse suppliers increased 45.9 percent, totaling more than \$3.9 billion.

Our supplier diversity achievements would not be possible without the commitment and enthusiasm of our employees. Much has changed over the years, with less focus today on supplier diversity targets and more attention on helping WMDVBEs grow and succeed. This has resulted in the enhancement of our technical assistance and development programs, which reached nearly 300 suppliers in 2014. This also means our customers are reaping the benefits of a more diversified and competitive pool of suppliers.

While we don't need to fix what works, we also won't rest on our past successes and become complacent. With our culture focused on continuous improvement, we will continue challenging ourselves and sharpening our focus to enhance our WMDVBE spend to the benefit of our

customers. We will also work toward formally including lesbian, gay, bisexual, and transgender (LGBT) business enterprises in our Supplier Diversity Program in response to Assembly Bill 1678, which expanded diverse firms to include LGBT firms under General Order 156.

Looking ahead, we have several opportunities to build on our successes, including our Pipeline Safety Enhancement Plan (PSEP). In 2014, we surpassed our 35 percent target with WMDVBEs on PSEP. In 2015, we will again provide opportunities to diverse suppliers in construction, engineering and design, inspection services and upcoming major projects.

We have long known that our supplier diversity activities bring economic benefits to not only our suppliers, but also to the regional economies where they do business. Our first-ever Economic Impact Report shows the effect our Supplier Diversity Program has on our service area. Our findings are presented on the following page.

Our strategy going forward is to continue to "invest, develop and partner," with the goal of bringing tangible benefits to our suppliers and communities.

A handwritten signature in black ink, appearing to read "D. Arriola". The signature is fluid and cursive.

**Dennis Arriola**  
President and CEO,  
SoCalGas

# Supplier Diversity's Far-Reaching Impacts

*Our groundbreaking study confirms what we have long known – that our supplier diversity activities have a significant effect well beyond our operations and the 677 WMDVBES working with us.*

**Supplier Diversity programs have grown beyond just making a difference with diverse firms and the boundaries of the organizations engaged with WMDVBES.**

In 2014, SoCalGas embarked on a groundbreaking study to measure the financial breadth, contribution, and direct dollar impact of diverse businesses within our supply chain and across our service area.

We worked with a minority- and woman-owned consulting firm, in partnership with a minority research firm, to survey 382 of our WMDVBES with revenues of \$500,000 or more. We received responses representing more than half of our procurement with diverse prime suppliers.

Our inaugural Economic Benefits of Supplier Diversity Report, based on surveyed WMDVBES' 2011-2013 data, confirms what we have long known – our supplier diversity activities have a significant effect well beyond our operations and the 677 WMDVBES working with us. It also further inspires us to continue to invest in our suppliers, provide them with development opportunities and partner with organizations that support supplier diversity.

## OUR GROUNDBREAKING STUDY FOUND:

- **75 percent** of respondents are based in our service area, with **98 percent in California**
- They earned a total of **\$3.3 billion** and **\$2.6 billion** in federal and state gross receipts, respectively
- They contributed more than **\$12 million** and **\$8.8 million** in federal and California income tax, respectively
- They added more than **670 full-time** and **275 part-time** jobs in 2013
- More than **40 percent** have supplier diversity programs
- Half of those surveyed gave **\$1.1 million** to nonprofit organizations over the last three years
- **60 percent** belong to business organizations and spent \$230,000-plus on membership dues and fees in 2013



# 2014 HIGHLIGHTS

**Our continued investments in supplier diversity initiatives, technical assistance programs and community and business partnerships led to another outstanding year.**

In 2014, we achieved 48.4 percent, or \$571.4 million, of our total procurement with WMDVBEs. This was the third straight year we exceeded the 40 percent mark, the seventh consecutive year we outperformed our internal target, and the 22nd year in a row we surpassed the CPUC's 21.5 percent goal.

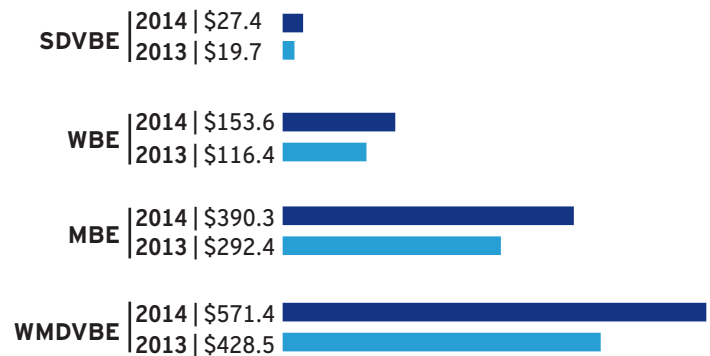
Once again, we made significant progress in all categories. Spending with minority business enterprises (MBEs) totaled \$390.3 million, or 33 percent; spending with woman business enterprises (WBEs) reached \$153.6 million, or 13 percent; spending with service-disabled veteran business enterprises achieved \$27.4 million, or 2.3 percent and spending with woman minority business enterprises (WMBEs) reached \$150.9 million, or 12.8 percent.

## OUR ACCOMPLISHMENTS INCLUDED:

- ▶ **EXPANDING RELATIONSHIPS WITH DIVERSE SUPPLIERS IN CAPITAL INFRASTRUCTURE PROJECTS**, such as our PSEP. During PSEP's first year, we beat our 35 percent spend goal with WMDVBEs providing everything from construction, engineering and design to inspection services. We also exceeded our 35 percent WMDVBE target with our Advanced Meter project.
- ▶ **PROVIDING TECHNICAL ASSISTANCE TO NEARLY 300 DIVERSE FIRMS** through our Mastering Business Growth (MBG) and Smaller Contractor Opportunity Realization Effort (SCORE) programs and educational partnerships.
- ▶ **INCREASING WMDVBE SPENDING IN TRADITIONALLY UNDERUTILIZED AREAS**, including legal, which achieved a record \$5.6 million, or 54.8 percent, spend with diverse law firms. In the area of finance, two bond issuances occurred throughout the year with various diverse firms serving as joint book-running managers and co-managers leading the offerings.

## SoCalGas Spend

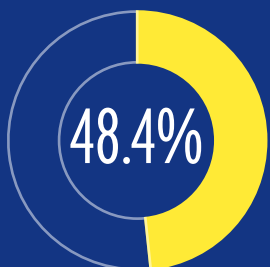
2014 vs 2013 (IN MILLIONS)



- ▶ **EMBARKING ON A GROUNDBREAKING STUDY** to measure the financial breadth, contribution, and direct dollar impact of diverse businesses within our supply chain and across our service area. A survey of WMDVBEs revealed that our Supplier Diversity Program has a significant impact not only on WMDVBEs, but also local economies, job growth, and community organizations.
- ▶ **AWARDING 16 CONTRACTS TO SCORE PARTICIPANTS**, totaling \$11 million in contracts. One diverse engineering and construction firm was awarded a \$75,000 contract to work at our Aliso Canyon storage facility. The company's outstanding performance led to additional work, totaling nearly \$400,000.
- ▶ **GROWING THE NUMBER OF DIVERSE PRIME SUPPLIERS**; we are now working with 425, of which 14 are among our top 30 suppliers.
- ▶ **MAKING STRIDES IN SEVERAL PROCUREMENT AREAS**, such as: natural gas, with WMDVBE spend rising to \$330 million, or 16.6 percent; pipeline construction, totaling \$238.7 million, or 46 percent; and fleet/facilities, reaching \$33 million, or 63 percent.

**\$571.4M**

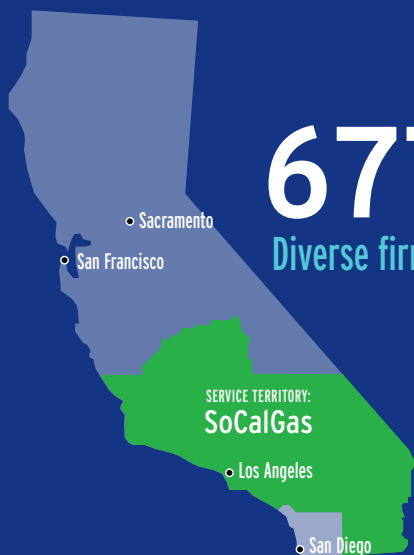
Spend with diverse firms



Total purchases with WMDVBes

**677**

Diverse firms working with SoCalGas



**425** Diverse prime suppliers

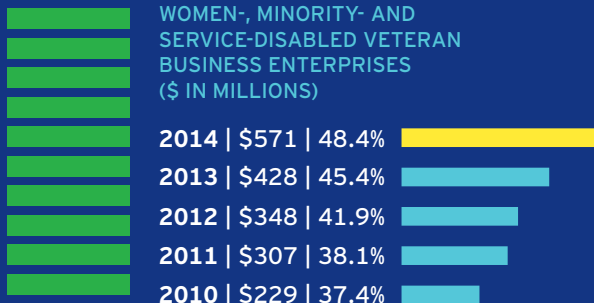
**14** Among top 30 SoCalGas suppliers

**\$11M** In SCORE contracts

Nearly 300 received technical assistance

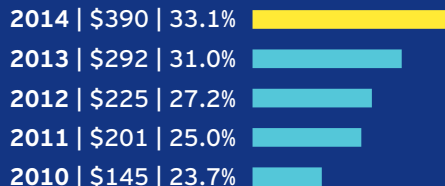


2014 **48.4%**

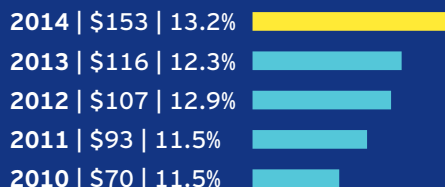


WOMEN-, MINORITY- AND SERVICE-DISABLED VETERAN BUSINESS ENTERPRISES (\$ IN MILLIONS)

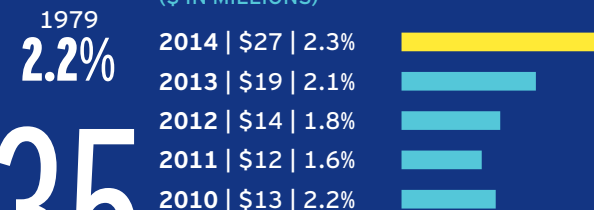
MINORITY BUSINESS ENTERPRISES (\$ IN MILLIONS)



WOMEN BUSINESS ENTERPRISES (\$ IN MILLIONS)



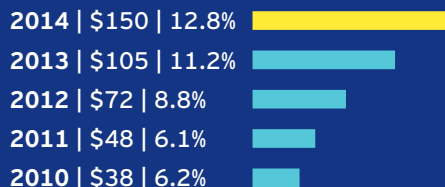
SERVICE-DISABLED BUSINESS ENTERPRISES (\$ IN MILLIONS)



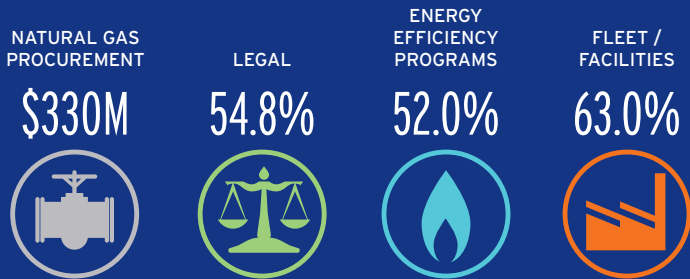
1979 **2.2%**

**35** YEARS Supplier diversity program

WOMEN MINORITY BUSINESS ENTERPRISES (\$ IN MILLIONS)



MAJOR SUCCESSES



ECONOMIC IMPACT ON WMDVBES



\*Based on 2013 data as reported by companies surveyed for an independent SoCalGas Economic Benefits Report

# 2014 ANNUAL REPORT

## SoCalGas Procurement Results

	YEAR 2014		YEAR 2013	
Total	\$1,180,140,852		\$944,220,332	
Minority (MBE)	\$390,355,202	33.08%	\$292,396,010	30.97%
Women (WBE)	\$153,664,138	13.02%	\$116,380,529	12.33%
Service Disabled Veteran (DVBE)	\$27,408,450	2.32%	\$19,735,696	2.09%
<b>Total WMDVBE</b>	<b>\$571,427,790</b>	<b>48.42%</b>	<b>\$428,512,235</b>	<b>45.38%</b>

### 9.1.1 PROGRAM ACTIVITIES

#### INTERNAL ACTIVITIES

##### CORPORATE COMMITMENT

At SoCalGas, supplier diversity is more than a commitment; it's a key business strategy and a core company value that is embedded in our culture. Our strong performance in 2014 shows that incorporating diverse suppliers into our procurement process is a natural part of doing business and embraced companywide by our employees.

##### SUPPLIER DEVELOPMENT/ TECHNICAL ASSISTANCE

To facilitate the long-term success of WMDVBES, we provide them with the necessary tools and skills to build capacity, grow and advance. In 2014, nearly 300 diverse suppliers participated in our supplier development and technical assistance programs. These programs included:

##### SCORE

SCORE (Smaller Contractor Opportunity Realization Effort) is aimed at expanding the pool of smaller diverse businesses in our supplier base and providing WMDVBES with assistance to advance their growth and success.

The program is comprised of four working teams:

- **Cross-functional**, which includes staff members from Operations, Procurement and Supplier Diversity. Also known as the Tiger Team, it identifies projects and potential opportunities that can be completed by smaller diverse businesses.
- **Policy**, which investigates the barriers to smaller diverse contractors working with SoCalGas.

It meets quarterly and includes community organization representatives, a CPUC staff member, a banking representative and internal stakeholders.

- **Communications**, where the focus is on enriching outreach and targeting communications to smaller contractors.
- **Internal managers**, who meet regularly to discuss upcoming major projects and ways to include smaller contractors.

As part of SCORE, we held three small business boot camps, that attracted more than 100 diverse suppliers. These boot camps covered such topics as business finance and talent management.

In 2014, we placed greater focus on developing strong relationships and smoothing transitions for SCORE participants. This led to 16 contracts with diverse firms, valued at \$11 million. Since SCORE was launched in 2011, more than \$38.2 million in contracts have been awarded to 56 WMDVBES.

##### Mentoring and Capacity Building

Businesses must build capacity to grow and move to a higher level. This is important for any business, but it's particularly challenging for diverse suppliers.

Through SCORE, SoCalGas mentored two smaller diverse businesses by providing individual coaching and introductions for potential business opportunities, holding regular meetings to help their progress and exploring ideas to expand their business.

We worked with these firms on some small projects in 2014 and will continue our mentoring relationship through the end of 2015.



>> Sun Engineering Services, Inc.

## First a SCORE workshop, then a contract

Four years ago, Eddy Duong began attending SoCalGas' SCORE (Smaller Contractor Opportunity Realization Effort) workshops to increase his business skills and learn firsthand how to work with the utility.

***'We anticipate that our workload with SoCalGas will increase, and we plan to hire more employees in 2015.'***

He was particularly impressed with a one-day small business boot camp, that covered a number of topics including strategic planning and how to prepare a capabilities statement. "I was surprised that SoCalGas had free training programs for diverse suppliers. I used the ideas and information to improve our business and marketing operations," says Duong.

The information he learned from the workshops served him well as his engineering consulting firm, Sun Engineering Services, Inc., was awarded a sizeable contract in 2014 to support the utility's PSEP.

Sun Engineering has been upgrading and replacing valves throughout SoCalGas' pipeline system and this work will continue through 2017. As a result of the contract, the Westminster-based, Asian American-owned company has added four employees, bringing the total number to 50.

"SoCalGas is currently one of our largest clients," says Duong, who came to the U.S. from South

Vietnam. "We anticipate that our workload with SoCalGas will increase, and we plan to hire more employees in 2015."

Like the utility, Sun Engineering has a commitment to supplier diversity. The company has hired three diverse suppliers for staffing and IT services to support its PSEP work.

"SoCalGas is very committed to supplier diversity," he says, adding that "as a diverse supplier, we still need to provide good products and services at a reasonable cost for continued business. We appreciate what SoCalGas has done for the diverse supplier community."



***Information gleaned from a SCORE workshop led to a sizeable contract for Sun Engineering Services. From left: David Hellier, Naresh Patel, Eddy Duong, Michael Jordan and Autumn Winega.***



**SoCalGas Director of Supply Management and Supplier Diversity Rick Hobbs speaks at Mastering Business Growth's graduation.**

**Mastering Business Growth**

Now in its second year, our Mastering Business Growth (MBG) program helps to develop the business acumen of diverse firms that have been in existence less than three years and have under \$1 million in revenue.

This Tier 1, 10-week technical program – designed and taught by a minority- and woman-owned consulting firm – covers a variety of topics, which includes business plan development, technology and marketing, human resources management, business law, operations, finance and accounting, contracting and risk management.

In 2014, 75 diverse firms participated in MBG and received one-on-one coaching, peer networking, targeted matchmaking with SoCalGas representatives, and tips on how to work with the company.

**Supplier Diversity Business Showcase**

Our business showcases are strategic platforms for prime and diverse suppliers to meet and form potential partnerships for future opportunities. Our activities in 2014 included:

- A showcase for companies engaged in construction, transportation and environmental services.
- An information and matchmaking session for a multi-year construction project at our Aliso Canyon facility. Eighteen suppliers attended the event,

representing such areas as construction, trucking, material supplies, surveying, environmental engineering, excavation and electrical and professional staffing.

- A targeted matchmaking event for environmental services that attracted 14 prime suppliers and CPUC-certified diverse firms.
- A transportation showcase involving one of our prime suppliers and several diverse transportation suppliers. Three diverse suppliers were selected to partner with the prime supplier on various projects.

**ETHNIC/COMMUNITY MEDIA**

We continued to build out and enhance our ethnic media strategy, which is designed to be more inclusive of our community partners and more effective at reaching our multicultural customers, who represent a large percentage of our customer base.

We again evaluated and considered local, community media partners to communicate topics such as customer assistance. For our safety campaign, we developed customized materials to target Hispanic, African American and Asian American customers on important natural gas safety tips. Our natural gas and customer assistance campaigns included more than 20 different print publications aimed at Hispanic, Chinese, Vietnamese, Korean and African American customers to promote cultural relevancy.

We also updated our internal tracking system to facilitate even use of ethnic/community print media throughout our service territory by area, language and ethnicity, when feasible and applicable.

During the year, 26.7 percent of our media budget was focused on our multicultural customers. We included ethnic-owned media as part of our advertising buys when it aligned with our marketing strategy.

**COMMUNICATIONS AND AWARENESS**

Keeping supplier diversity top-of-mind among employees is a key part of our Supplier Diversity Program, and in 2014, we continued to employ several tools to communicate our objectives, progress and success stories.

Throughout the year, supplier diversity articles appeared on SoCalGas' intranet including *GasLines* and *Sempra News*. Our Supplier Diversity team also promoted WMDVBE objectives and communicated our progress at various department staff meetings.

Complementing these efforts was our Employee Diversity Council, comprised of 85-plus employees throughout Sempra Energy companies, which is tasked with making recommendations on diversity issues that impact employees, customers and other stakeholders. Our seven Local Diversity Councils are also aimed at increasing employee awareness and sensitivity, celebrating cultural diversity and promoting inclusion.

### DIVERSITY CHAMPIONS

SoCalGas and our sister utility, San Diego Gas & Electric (SDG&E), annually recognize employees who advance our supplier diversity goals as well as outstanding suppliers at our Championing Diversity Awards luncheon.

In 2014, we honored more than 350 employees and diverse suppliers. Among those taking part in the celebration were CPUC Commissioner Catherine Sandoval, SoCalGas President and CEO Dennis Arriola, and SDG&E and SoCalGas Chairman and Sempra Energy Executive Vice President of External Affairs Jessie Knight.

### MONITORING/AUDITING TOOLS

Our Supplier Diversity team continued to track our overall spend progress and used this information to increase procurement opportunities with WMDVBEs and address any issues that required attention. The team used the following tools:

- **Dashboard** - Through this internal electronic information tool, managers can view WMDVBE spend and subcontracting results on a monthly or year-to-date basis, enabling them to target and track spending with diverse suppliers.
- **Subcontracting Portal** - Our prime suppliers are required to subcontract at least 38 percent with diverse businesses. To monitor and stay abreast of their progress, prime suppliers enter their monthly diversity subcontracting results into our portal. This process allows us real-time tracking of our primes' subcontracting activities.
- **Subcontracting Audit** - To maintain accurate reporting by our prime suppliers, for the last three years we've employed an independent, diverse firm to conduct an unbiased examination and evaluation of WMDVBE subcontracting spend. The purpose of this annual audit is to validate diverse subcontracting procurement and maintain the highest integrity in our reporting to the CPUC and community at large.



*More than 350 employees and diverse suppliers were honored at the Championing Diversity Awards luncheon.*

**SUPPLIER DIVERSITY TEAM**

SoCalGas' Supplier Diversity team, which leads our supplier diversity efforts, worked closely with Procurement staff and other departments and divisions. Their 2014 activities included:

- Developing annual business plans for WMDVBE spending for vice presidents and their direct reports.
- Participating in SoCalGas' strategic sourcing initiatives and process.
- Making presentations to business units and monitoring department/division goals and performance.
- Evaluating diverse firms to determine readiness in the procurement process and participation in the bid evaluation process.
- Identifying and developing qualified diverse suppliers and cultivating relationships with them.
- Working with diverse suppliers to obtain certifications/verifications.
- Arranging face-to-face meetings with diverse suppliers, Procurement agents and internal clients.
- Holding targeted diverse supplier showcase forums to highlight potential contractors.
- Helping to resolve problems with contract requirements, performance and quality-of-service issues.



**From left, SoCalGas Supplier Diversity team members Rodney Potts, Valerie Lertyaovarit, Yolanda Padilla and Michelle Chieks at one of the 70-plus outreach events in 2014.**

- Promoting supplier diversity activities and opportunities at supplier diversity conferences, seminars and events.
- Meeting with prime contractors and verifying and monitoring subcontractor plans.

**EXTERNAL ACTIVITIES**

**SUPPLIER DEVELOPMENT/ TECHNICAL ASSISTANCE**

We continued to join forces with minority business and community organizations as well as major universities to help diverse suppliers develop the necessary skills to increase their business success. In 2014, technical assistance provided by SoCalGas totaled \$276,000, including funds to universities, business and community programs.

Our activities included:

**Educational Partnerships**

Through our partnerships with University of California, Los Angeles (UCLA) and University of Southern California (USC), diverse firms improved their business knowledge, by taking such courses as managerial and financial accounting, planning and budgeting, operations improvement and project management.

The UCLA Management Development for Entrepreneurs Program enables business owners to enhance essential management skills and develop a business improvement plan. After completing the program, participants receive a mini-MBA certificate and gain access to the greater UCLA Anderson School of Management alumni network. In 2014, SoCalGas sponsored 10 suppliers in the program.

The USC Marshall School of Business Financial Success for Diverse Businesses is aimed at increasing the financial management skills of executives and senior managers who are challenged with growing their companies while overseeing daily operations. At the program's conclusion, participants develop and present a formal business plan to banking professionals and receive a certificate. SoCalGas sponsored 15 suppliers in the seven-week course.

The UCLA Advanced Technology Management Institute is designed to equip participants with

*(continued on page 12)*

# Building on our successes with PSEP

**Our PSEP, the largest natural gas pipeline testing and replacement plan in SoCalGas' history, provides us with an opportunity to expand our already strong working relationships with diverse suppliers.**

As required by the CPUC, all natural gas pipelines in our transmission system that have not already been tested, or do not have adequate records of a strength test, will be tested or replaced.

Our PSEP involves pressure testing or replacing about 157 miles of transmission pipelines in populated areas, replacing pipelines that were installed before 1946 and cannot be inspected using smart pigging technology, and retrofitting more than 500 valves to be automatically or remotely controlled.

To reach potential diverse firms to partner with, we organized several events and presentations with business and community organizations. We also utilized a portal on SoCalGas' website for WMDVBES interested in PSEP contracts.

*PSEP has already provided direct benefits to WMDVBES, job growth and local economies.*

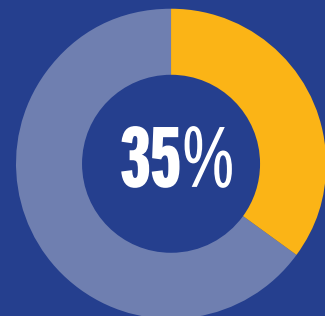
## PSEP EFFECTS

Since PSEP was approved by the CPUC in June 2014, we have:

- **Far exceeded our 35 percent WMDVBE goal. More than 40 new diverse suppliers** have established contracts with SoCalGas as a result of PSEP, providing an array of products and services ranging from construction, engineering and design to surveying, mapping and inspection services.
- **Made a significant economic impact in our 12-county service area.** Our Economic Impact Report shows that in PSEP's Phase 1A- which includes initial testing, repair and replacement of the gas pipelines through 2016 – **diverse firms will directly receive at least 35 percent of the direct spending** in the form of construction, labor and materials and consulting service contracts. The report also found that **at least 30 percent of PSEP jobs will be created or retained as a result of the plan.**



We are committed to achieving our 35 percent target with diverse firms through the life of the project.





**Patrick Lee, SoCalGas senior vice president of Customer Services, Innovation and Business Strategy, speaks at the Asian Business Association-Los Angeles awards banquet.**

leading edge management and leadership skills by highlighting technologies and innovations and providing frameworks and tools to enhance understanding in these areas.

**Community-Based Organizations**

We continued to support and partner with community-based organizations to extend our reach to diverse firms and contribute to their advancement. We funded and/or participated in programs for WMDVBES, including small or micro-businesses, which featured workshops on a variety of business topics. Our sponsorships included National Latina Business Association’s Emerging Latinas Program, Platinum Program by Women’s Business Enterprise Council - West and Asian Business Association - Orange County’s Business Matchmaking Workshop.

**OUTREACH TO SERVICE-DISABLED VETERAN BUSINESS ENTERPRISES**

For the third consecutive year, we teamed up with Elite Service-Disabled Veteran-Owned Business (SDVOB) Network to host “Turn Contacts into Contracts,” a day-long conference focused on providing capacity and increasing purchases with SDVBES.

The event, held at our Energy Resource Center in Downey, attracted 150-plus attendees and featured workshops and matchmaking sessions with Supplier Diversity and Procurement representatives from SoCalGas, other utilities, and corporations. The goal of the event was to turn contacts into new contract opportunities. As a result, two suppliers participated in a targeted environmental services matchmaking opportunity where they met prime suppliers.

**SUPPLIER RECOGNITION**

When diverse suppliers perform outstanding work in their contracts with us, we want them to receive recognition. In 2014, we nominated seven firms for Southern California Minority Supplier Development Council’s (SCMSDC) Supplier of the Year awards, and were pleased that two won top awards in their class category and three received special recognition.

**EXTERNAL OUTREACH**

Every year, we support a wide range of business organizations that are instrumental in helping us achieve our supplier diversity goals, and 2014 was no different.

We strategically partnered with more than 30 organizations and attended 70-plus events to reach and identify diverse suppliers for potential business opportunities. We also participated in local, regional and national trade fairs and conferences and served on corporate advisory boards and committees.



**From left, Allison Hicks of New World Environmental, SoCalGas CEO Dennis Arriola and American Indian Chamber of Commerce of California (AICCC) President Tracy Stanhoff at an AICCC event.**



**SoCalGas Supplier Diversity Program Manager Valerie Lertyaovarit serves as a panelist at a Small Business Exchange event.**

## >> Phelps Total Market LLC

# A contract and development opportunities

In 2012, Alex Perez sat in the audience at a California Utilities Diversity Council (CUDC) workshop on “How to do business with utilities” featuring a panel of representatives from diverse advertising and media agencies.

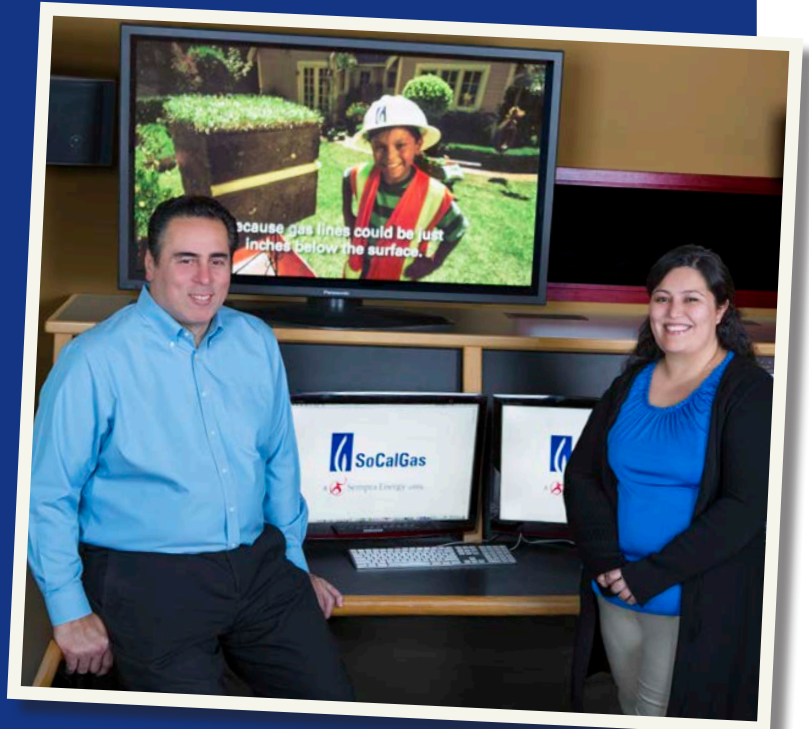
***‘SoCalGas has a strong commitment to supplier diversity. They want us to succeed.’***

He took copious notes and registered his marketing communications firm, Phelps Total Market (PTM), on different utilities’ supplier diversity websites. A year later, Perez learned about a SoCalGas Request for Proposal for advertising and marketing services for general market and cross-cultural audiences.

The Hispanic-, Asian- and women-owned firm was awarded the four-year contract and became the utility’s agency of record. PTM collaborates with an affiliate company, Phelps, a full-service integrated marketing agency, and other ethnic-owned ad agencies and oversees SoCalGas’ advertising, marketing and social media strategies.

Since receiving the contract, PTM has added seven employees - all of whom are dedicated to the SoCalGas account, according to Perez, president of the Santa Monica-based firm and one of PTM’s five founding members.

The utility has provided PTM with introductions to others within and outside the company as well as development opportunities. In 2014, SoCalGas



***Phelps Total Market became SoCalGas’ agency of record a year after Phelps President Alex Perez (left) attended a workshop on how to do business with utilities. The agency now has seven employees who are dedicated to the SoCalGas account. Also pictured is Elba Henriquez.***

sponsored Perez in the UCLA Management Development for Entrepreneurs.

“In addition to building a stronger business acumen, the program has caused me to look at things differently,” says Perez, who served as a panelist for CUDC’s 2013 and 2014 forum for diverse advertising and marketing agencies.

He adds, “SoCalGas is not just giving out work - they’re committed to our success and the success of others. They have a strong commitment to supplier diversity. They want us to succeed.”

2014 AWARDS



**SoCalGas received Southern California Minority Supplier Development Council's Corporation of the Year award for the second consecutive year. Pictured above is SoCalGas' Supplier Diversity team with SCMSDC President Virginia Gomez (fourth from left).**

Several organizations recognized us for our supplier diversity leadership in 2014. Among the awards we received:

- American Indian Chamber of Commerce of California – Eagle Thank You Recognition
- American Indian Chamber of Commerce of California – Turquoise Recognition
- Asian Business Association – Los Angeles – Corporate of the Year Award
- Asian Business Association – Orange County – Corporate Person of the Year Award
- California Black Chamber of Commerce – President's Corporation Appreciation Award
- Elite Service Disabled Veteran – Owned Business of Los Angeles – Appreciation Award
- Greater Los Angeles African American Chamber of Commerce – Utility of the Year
- Moreno Valley Black Chamber of Commerce – Philanthropist Award
- National Elite Service Disabled Veteran-Owned Business – Recognition Award
- National Latina Women Business Association – Corporate Leader of the Year Award
- Southern California Minority Supplier Development Council – Corporation of the Year Award
- U.S. Hispanic Chamber of Commerce – Million Dollar Club



## ORGANIZATIONS SUPPORTED BY SOCALGAS

- American Indian Chamber of Commerce of California
- Asian Business Association – Los Angeles\*
- Asian Business Association – Orange County\*
- Asian/Pacific Islander Chamber of Commerce & Entrepreneurship
- Black Business Association – Los Angeles
- California Asian Chamber of Commerce
- California Black Chamber of Commerce
- California Disabled Veteran Business Alliance
- California Hispanic Chamber of Commerce
- California Utilities Diversity Council
- Chinese American Construction Professionals
- Community Lawyers, Inc.
- Elite Service Disabled Veteran-Owned Business Network – Los Angeles\*
- Elite Service Disabled Veteran-Owned Business Network – National
- Greater Los Angeles African American Chamber of Commerce
- Latin Business Association\*
- Latino Coalition
- Los Angeles Latino Chamber of Commerce\*
- Moreno Valley Black Chamber of Commerce
- National Asian American Coalition
- National Association of Women Business Owners – California
- National Association of Women Business Owners – Los Angeles\*
- National Council of Minorities in Energy\*
- National Association of Minority Contractors – National
- National Association of Minority Contractors – Southern California\*



**Supplier Diversity Program Manager Rodney Potts meets with a supplier at a matchmaking event.**

- National Latina Business Women Association – Los Angeles\*
- National Minority Supplier Development Council
- National Utilities Diversity Council\*
- Recycling Black Dollars
- Regional Black Chamber of Commerce of San Fernando Valley
- Southern California Minority Supplier Development Council\*
- U.S. Hispanic Chamber of Commerce
- U.S. Pan Asian Chamber of Commerce
- Women’s Business Enterprise Council – West\*

\*Board position held by Supplier Diversity team representative

2014 OUTREACH EVENTS



**SoCalGas Supply Chain Project Manager Michelle Chieks meets with suppliers at business opportunity fair.**

- American Indian Chamber of Commerce of California Native American Heritage Month Luncheon with Warrior Awards
- American Indian Chamber of Commerce of California EXPO
- American Indian Chamber of Commerce of California Annual June Recognition Luncheon
- Asian Business Association – Los Angeles Annual Award Banquet
- Asian Business Association – Los Angeles Makeover: Business Edition
- Asian Business Association – Orange County Procurement Conference
- Asian Business Association – Orange County Small Business Development Day
- Black Business Association Annual Awards
- Black Business Association Salute to Black Women Event
- Black Business Association Procurement Exchange Summit
- CalAsian Chamber of Commerce – California Asian Business Summit
- California Alliance DVBE – California Disabled Veteran Business Enterprises Conference – Keeping the Promise
- California Black Chamber of Commerce Annual Legislative Reception
- California Black Chamber of Commerce Annual Ron Brown Summit
- California Disabled Veteran Business Alliance – Veteran’s Breakfast with the Stars
- California Disabled Veteran Business Enterprises Conference – San Diego
- California Hispanic Chamber of Commerce Annual Convention and Business Expo
- California Hispanic Chamber of Commerce Inland Empire Summer Procurement Expo
- California Hispanic Chamber of Commerce Legislative Conference
- Chinese American Construction Professionals Installation Dinner
- California Utilities Diversity Council Diverse Advertising and Media Outreach Forum
- Community Lawyers, Inc. “Justice Jam”
- CPUC En Banc Hearing
- CPUC Small Business Expo – Los Angeles
- CPUC Small Business Expo – Sacramento
- Edison Electric Institute Supplier Diversity Conference
- Elite Service Disabled Veteran-Owned Business National Conference
- Elite Service Disabled Veteran-Owned Business Network Los Angeles – Turning Contacts into Contracts Conference
- Greater Los Angeles African American Chamber of Commerce Annual Awards
- Greenlining Institute Academy Graduation and Reception

- Greenlining Institute Expanding Supplier Diversity: An Economic Engine for Growth
- Inland Empire Procurement Expo – San Bernardino
- Latin Business Association Annual Awards
- Latin Business Association Multicultural Event
- Latin Business Association Women’s Conference
- Metropolitan Water District and Member Agencies – Connect 2 MET
- Moreno Valley Black Chamber of Commerce Annual Awards and Installation Banquet
- National 8A Association Conference
- National Asian American Coalition Annual Economic Development and Empowerment Conference
- National Association of Minority Contractors’ Southern California Region Annual Awards Dinner
- National Association of Women Business Owners Awards Luncheon
- National Association of Women Business Owners Conference and Public Policy Summit
- National Association of Women Business Owners - Phenomenal Women’s Workshop
- National Center for American Indians – Reservation Economic Summit
- National Elite Service-Disabled Veteran-Owned Business Conference
- National Gay and Lesbian Chamber of Commerce National Dinner
- National Latina Women Business Awards
- National Minority Supplier Development Council Annual Conference
- National Minority Supplier Development Council Minority Business Leadership Awards
- Orange County Hispanic Chamber of Commerce Matchmaking Event
- Orange County Transportation Authority Annual Business Expo
- Recycling Black Dollars Positive Side Awards
- Regional Black Chamber of Commerce San Fernando Valley Turn Contacts into Contracts
- Riverside Community College District Procurement and Assistance Center Annual Veterans Economic and Business Development Summit
- Riverside Hispanic Chamber Procurement Expo
- Sempra Energy Diverse Business Enterprises Annual Diversity Champions Awards Luncheon
- SoCalGas Pipeline Safety Enhancement Plan Supplier Diversity Business Presentation Forum
- SoCalGas Pipeline Safety Enhancement Plan Overview for Pipeline Construction Companies
- SoCalGas Pipeline Safety Enhancement Plan Special Briefing to Business Leaders
- SoCalGas Supplier Diversity and Gas Acquisition Business Mixer
- Southern California Minority Supplier Development Council Leadership Excellence Awards
- Southern California Minority Supplier Development Council MBE 2 MBE Open House
- Southern California Minority Supplier Development Council Minority Business Opportunity Day
- Southern California Minority Supplier Development Council Supplier of the Year Awards Luncheon
- U.S. Chamber/Latino Coalition Small Business Summit
- Utility Marketplace Access Partnership/National Utilities Diversity Council Conferences
- Women’s Business Enterprise Council – West Annual Conference
- Women’s Business Enterprise National Council Convention

### 9.1.2 SUMMARY OF PURCHASES/CONTRACTS

In 2014, SoCalGas had a total number of 677 diverse suppliers, with 425 of those firms serving as prime suppliers. We are unable to provide 2014 information on the number of WMDVBES that have the majority of their workforce in California. Please refer to Chart Addendums A1-A7 starting on page 40.

### 9.1.3 PROGRAM EXPENSES

SoCalGas' supplier diversity expenses for 2014 include CPUC Supplier Clearinghouse program costs, technical assistance, capacity building events, office support services and other expenses.

Expense Category	2014 Expenses In thousands
Wages	\$438
Other Employee Expenses	-
Program Expenses <sup>1</sup>	\$558
Reporting Expenses <sup>2</sup>	-
Training Expenses	-
Consultants <sup>3</sup>	\$57
Other	-
<b>Total</b>	<b>\$1,053</b>

<sup>1</sup>Includes reporting and other employee expenses

<sup>2</sup>Included in Program Expenses

<sup>3</sup>Includes IT costs

### 9.1.4 GOAL PROGRESS

In 2014, our purchases with WMDVBES reached a record 48.4 percent, representing the seventh year in a row we exceeded our internal target.

- For the 15th consecutive year, we surpassed our 15 percent MBE goal, with spend totaling \$390.3 million, up from \$292.3 million in 2013.
- We exceeded our target with WBEs for the 26th straight year, with purchases reaching \$153.6 million, rising from \$116.3 million in 2013. Spend with WBEs represented 13 percent of all procurement and services purchased by SoCalGas.
- We added 120 new diverse prime contractors, totaling more than \$20 million in new spend in areas including consulting, construction, engineering and marketing.
- We outperformed the CPUC's SDVBE spend goal of 1.5 percent for the fifth year in a row, achieving \$27.4 million or 2.3%. We have made increasing purchases with this group a priority with targeted outreach and increased awareness among department and procurement staff, and our efforts are paying off.

The table below illustrates CPUC goals and our corresponding results:

Category	SoCalGas 2014 Results	CPUC 2014 Goals
Minority Business Enterprise (MBE)	33.1%	15.0%
Women Business Enterprise (WBE)	13.0%	5.0%
Service-Disabled Veteran Business Enterprises (SDVBE)	2.3%	1.5%
<b>Total WMDVBE</b>	<b>48.4%</b>	<b>21.5%</b>

## 9.1.5 SUBCONTRACTORS

2014 SoCalGas	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Total (WMDVBE)
Direct \$	\$165,774,385	\$136,936,755	\$302,711,139	\$108,922,721	\$411,633,861	\$11,705,054	\$423,338,915
Subcontracting \$	\$73,650,453	\$13,993,520	\$87,644,063	\$44,741,417	\$132,385,480	\$15,703,396	\$148,088,876
<b>Total \$</b>	<b>\$239,424,838</b>	<b>\$150,930,275</b>	<b>\$390,355,202</b>	<b>\$153,664,138</b>	<b>\$544,019,341</b>	<b>\$27,408,450</b>	<b>\$571,427,791</b>

Direct %	14.05%	11.60%	25.65%	9.23%	34.88%	0.99%	35.87%
Subcontracting %	6.24%	1.19%	7.43%	3.79%	11.22%	1.33%	12.55%
<b>Total %</b>	<b>20.29%</b>	<b>12.79%</b>	<b>33.08%</b>	<b>13.02%</b>	<b>46.10%</b>	<b>2.32%</b>	<b>48.42%</b>

Percentages may not equal total due to rounding

<b>Total Procurement</b>	<b>\$1,180,140,852</b>
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Utilizing diverse subcontractors is a key part of our Supplier Diversity Program. All of our large prime suppliers are required to subcontract at least 38 percent to diverse businesses.

Many of the prime suppliers we partnered with in 2014 have demonstrated their full support of our commitment to supplier diversity. Two suppliers working on multimillion dollar projects have reported notable achievements, subcontracting more than 50 percent with diverse businesses totaling over \$31 million.

We make it clear to our prime suppliers that adherence to the WMDVBE subcontracting plan is critical and failure to comply could result in the same non-performance consequences as other important contract terms and conditions. As such, including diverse suppliers for subcontracting opportunities is part of our criteria for awarding contracts in the Request for Proposal (RFP) process.

In 2014, we held quarterly strategy meetings with our largest prime suppliers, monitored their subcontracting commitments to determine if they were meeting their goals, and, when necessary, assisted them in developing partnerships with diverse firms.

Additional activities included:

- Conducting meetings with Procurement agents to determine subcontracting opportunities
- Providing monthly updates of subcontracting results to Procurement and SoCalGas key stakeholders
- Attending pre-bid meetings and providing listings of diverse firms for prime suppliers' consideration for subcontracting activities
- Facilitating quarterly meetings with prime contractors and internal clients to discuss subcontracting results, provide feedback, and encourage the use of additional diverse suppliers
- Encouraging non-verified diverse subcontractors to become CPUC Clearinghouse-certified

In 2014, approximately 12.5 percent of SoCalGas' total procurement was achieved through subcontracting with diverse suppliers, totaling \$148 million.

### 9.1.6 COMPLAINTS

There were no formal complaints or lawsuits filed against SoCalGas in 2014 related to our Supplier Diversity Program.

### 9.1.7 EXCLUSIONS

On November 14, 2003 an Administrative Law Judge ruling on General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

### 9.1.8 EFFORTS TO RECRUIT DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

We continued to make strides in increasing procurement opportunities with diverse firms in legal and finance areas, which traditionally have been underutilized areas. It remains a long-term process as successes in these categories require diverse suppliers to have a larger workforce, highly specialized skills, and substantial financial strength.

In 2014, we attended trade shows, industry conferences, workshops and other venues to enhance WMDVBE spending. For example, SoCalGas was a title sponsor at the California Minority Counsel Program's 25th Anniversary Conference, where Law Department representatives participated in workshops and met with diverse law firms.

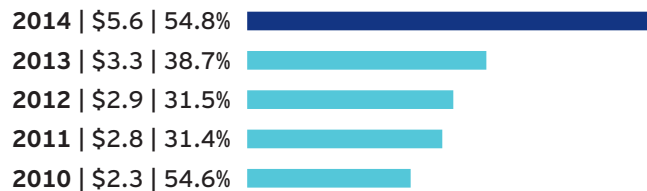
#### LEGAL

In 2014, SoCalGas' spend with diverse law firms totaled a record – \$5.6 million, or 54.8 percent of total spend, up from 38.7 percent in 2013. Our stellar accomplishments are the result of our focused efforts to grow this underutilized area.

#### Legal

2010 to 2014 (\$ and %)

IN MILLIONS



*SoCalGas Assistant General Counsel Randy Morrow meets with diverse law firms at California Minority Counsel Program's Business Conference.*

While most of our legal work was performed by our in-house attorneys, the Law Department identified several opportunities for diverse law firms. During the year, we utilized these suppliers to provide legal services in the following areas: employment and labor law, general and business litigation, personal injury, real estate, workers' compensation and recovery claims.

In addition, we introduced a new diverse law firm into the legal portfolio and helped a minority-owned firm obtain CPUC certification. Our General Counsel and some in-house attorneys also met with emerging diverse law firms for potential opportunities.

Outside the company, a number of our attorneys held active memberships with diverse bar associations and served on boards such as the Asian Americans Advancing Justice and the Anti-Defamation League Pacific Southwest Region. They performed pro bono services with such nonprofit organizations as Equality California, which works to achieve equality and secure legal protections for the LGBT community through legislative advocacy, electoral work, public education and community empowerment. They also served on panels at national bar association conferences to highlight the benefits of becoming a certified diverse supplier.

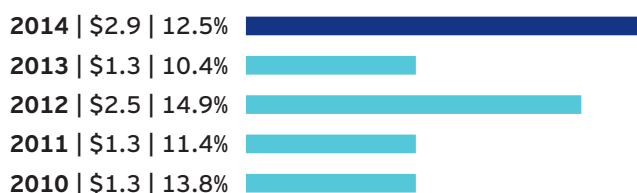
The charts at right illustrate the use of diverse lawyers and paralegals at majority firms retained by SoCalGas' Legal department.

### FINANCIAL SERVICES

During the year, we continued to work toward increasing the number of diverse suppliers in financial services, including pension and trust investments, investment banking, insurance and bonding services, cash management, and audit services.

### Finance

2010 to 2014 (\$ and %)  
IN MILLIONS



Diverse Attorney Work Within Majority Law Firms		Total (\$)
Minority Men	Asian Pacific American	\$1,877,182
	African American	\$1,561
	Hispanic American	\$132,763
	Native American	-
	Other	\$87,972
	<b>Total Minority Men</b>	<b>\$2,099,478</b>
Minority Women	Asian Pacific American	\$367,005
	African American	\$10,705
	Hispanic American	\$268,719
	Native American	-
	Other	\$39,079
	<b>Total Minority Women</b>	<b>\$685,508</b>
<b>Total Minority</b>		<b>\$2,784,986</b>
<b>Non-Minority Women: Attorneys</b>		<b>\$848,697</b>
<b>Non-Minority Men: Attorneys</b>		<b>\$2,396,950</b>
<b>Service Disabled Veteran</b>		<b>-</b>
<b>Grand Total, All Minority/Non-Minority</b>		<b>\$6,030,633</b>

Note: Figures are estimated

Diverse Paralegal Work Within Majority Law Firms		Total (\$)
Minority Men	Asian Pacific American	\$194
	African American	-
	Hispanic American	-
	Native American	-
	Other	\$1,176
	<b>Total Minority Men</b>	<b>\$1,370</b>
Minority Women	Asian Pacific American	-
	African American	-
	Hispanic American	\$50
	Native American	-
	Other	\$11,321
	<b>Total Minority Women</b>	<b>\$11,371</b>
<b>Total Minority</b>		<b>\$12,741</b>
<b>Non-Minority Women: Attorneys</b>		<b>\$89,089</b>
<b>Non-Minority Men: Attorneys</b>		<b>\$2,533</b>
<b>Service Disabled Veteran</b>		<b>-</b>
<b>Grand Total, All Minority/Non-Minority</b>		<b>\$104,363</b>

Note: Figures are estimated  
\*\*\*Paralegal spend for firms is \$676,279

**PENSION AND TRUST INVESTMENTS**

In 2014, we used five investment firms to execute trading activity for our pension fund. Our pension staff also identified diverse investment managers and conducted research on their characteristics, trading resources, and investment acumen for potential opportunities.

**INVESTMENT BANKING**

SoCalGas' issuance of first mortgage bonds in 2014 led to an increase in spending in this area. In March 2014, we issued \$250 million of first mortgage bonds and selected an African American-owned investment bank as one of the joint bookrunners and two diverse firms as co-managers. A second issuance was made in September, when we selected a Hispanic American-owned securities firm as one of the joint book-running managers when issuing \$500 million of first mortgage bonds. In this same transaction, we selected two diverse firms, including a woman-owned company, to co-manage the offering.

**INSURANCE AND BONDING SERVICES**

During the year, SoCalGas employed a woman-owned insurance brokerage firm to assist us with insurance and bond procurement.

**AUDIT SERVICES**

We worked with two diverse firms that provided audit review for Sarbanes-Oxley reporting. We also used an Asian American woman-owned supplier to perform audit service for our Federal Energy Regulatory Commission (FERC) Energy Trade Reporting.

**OUTREACH**

In 2014, we participated in meetings, outreach events, and other forums to identify diverse firms for potential partnerships in the financial area. SoCalGas executives, finance directors, and managers frequently met with diverse financial firms to discuss business opportunities. Also in attendance were high-capacity suppliers who shared their capabilities in investment banking, auditing, insurance, bonding, and other areas.



*SoCalGas Vice President of Gas Engineering and Systems Integrity Douglas Schneider speaks at the American Indian Chamber of Commerce of California's Expo.*



## >> Loop Capital Markets

# A long-awaited, significant opportunity

Having already worked on a financial transaction with SoCalGas a few years ago, Loop Capital Markets was looking for another opportunity to do business with the utility.

***'It's been really helpful to point to the SoCalGas transaction as a testimony to the strength of our platform, and we anticipate future growth in 2015.'***

That moment arrived in 2014, when the African American-owned, full-service investment bank, brokerage and advisory firm was one of four companies selected to serve as a joint bookrunner on the utility's \$250 million, 30-year bond deal.

"We played a significant role in the transaction," says Sidney Dillard, partner, Corporate Investment Banking Division at Loop Capital Markets, noting the Chicago-based firm worked with the other bookrunners to "run" or lead the capital-raising transaction. "It helped that we had worked with other utilities across the country on their bond transactions."

As a result of its work with SoCalGas, Loop Capital Markets is having "robust dialogue with other local distribution companies," she adds. "It's been really helpful to point to that transaction as a testimony to the strength of our platform, and we anticipate future growth in 2015."



***Loop Capital Markets played a major role in SoCalGas' \$250 million, 30-year bond deal. Pictured above is Loop Capital Markets' Chairman and CEO Jim Reynolds.***

The African American-owned firm has experienced tremendous success since it was co-founded in 1997 by Jim Reynolds, Loop Capital Markets' chairman and CEO. Starting as a municipal bond firm with a staff of six, it is now a global investment banking firm with more than 160 professionals and 20 offices across the country.

Working with SoCalGas, Loop Capital Markets has seen firsthand the company's commitment to supplier diversity. "We've heard their executives talk about supplier diversity and how it's part of their DNA. That's been really clear from the interactions we've had," adds Dillard.

# 2015 ANNUAL PLAN

## 10.1.1 GOALS

### WMDVBE ANNUAL SHORT-, MID-, AND LONG-TERM GOALS BY PRODUCT AND SERVICE CATEGORIES BY PERCENTAGE OF SPEND

#### PRODUCTS

Short-Term (2015)					Mid-Term (2017)					Long-Term (2019)				
Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)
Men	Women				Men	Women				Men	Women			
13.00	2.00	15.00	5.00	1.50	13.00	2.00	15.00	5.00	1.50	13.00	2.00	15.00	5.00	1.50

#### SERVICES

Short-Term (2015)					Mid-Term (2017)					Long-Term (2019)				
Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)
Men	Women				Men	Women				Men	Women			
13.00	2.00	15.00	5.00	1.50	13.00	2.00	15.00	5.00	1.50	13.00	2.00	15.00	5.00	1.50

#### PRODUCTS AND SERVICES TOTAL

Short-Term (2015)					Mid-Term (2017)					Long-Term (2019)				
13.00	2.00	15.00	5.00	1.50	13.00	2.00	15.00	5.00	1.50	13.00	2.00	15.00	5.00	1.50
				21.5					21.5					21.5

SoCalGas' supplier diversity corporate goal is to meet the requirements of General Order 156. Our focus is to maintain our supplier diversity target at 38 percent, while concentrating on strengthening our partnerships, targeting our outreach, and expanding our diverse supplier base.

In addition, SoCalGas will strive to exceed the following short-, mid-, and long-term goals:

Short-Term	Mid-Term	Long-Term
38%	38%	38%

Note: the 38 percent goal listed above is not the ceiling, as we always strive to do better.

## 10.1.2 PLANNED ACTIVITIES

We remain committed to sustaining our progress from the past year and continuing to make a meaningful difference for our diverse firms and communities through our supplier diversity activities.

Our plans in 2015 involve several capital infrastructure projects, including:

### **Advanced Meter Project**

Our Advanced Meter project includes installing approximately six million advanced meters, or natural gas meters with wireless communication modules. Advanced meters are designed to improve operational efficiencies, customer service, safety and energy conservation, while achieving a significant diverse supplier spend during the life of the project, which extends through 2017.

We met and exceeded our internal goal with diverse suppliers in 2014, with WMDVBES providing printing, kitting, fulfillment, warehousing, consulting, staffing and IT support services. For 2015, diverse suppliers will continue to contribute to the success of the project in the following areas: technology, hardware, warehousing and logistics, inventory management and distribution, community outreach, data management and security, construction, and more.

### **Pipeline Safety Enhancement Plan**

In 2014, we far exceeded our 35 percent WMDVBE goal with PSEP. We intend to build on these successes in 2015 by continuing to identify potential opportunities for diverse suppliers and work with business and community partners to find firms that have the necessary capacity and skills.

We will again engage with WMDVBES in construction, engineering and design, environmental services, materials, surveying and mapping, inspection, and other support services. We also plan to continue to seek out opportunities to engage WMDVBES in the following areas: pipeline construction, pipeline auxiliary, material procurement, engineering and project management services, and environmental services.

We will continue to participate in outreach events and actively promote and monitor our website portal for businesses interested in potential PSEP business opportunities.

We understand that some diverse firms may find it challenging to meet the demands of a large-scale project like PSEP, and there could be challenges in fulfilling the necessary bonding, insurance, and financial requirements. We remain committed to achieving a 35 percent spending target with WMDVBES over the life of this project and working with suppliers and providing them with necessary mentoring and technical assistance so they are familiar with the company's bid process and requirements.

### **Aliso Canyon Turbine Replacement Project**

In 2014, we embarked on a major construction project at our Aliso Canyon storage field, which involves replacing three obsolete natural gas turbine-driven compressors with new electric motor-driven compressors. This work will improve service reliability and efficiency, increase natural gas storage injection capacity by 50 percent, reduce operating costs and site emissions, and enhance security.

During the year, diverse suppliers provided fuel procurement and construction equipment rental services. In 2015, we anticipate their involvement in subcontracting opportunities in the areas of excavation, trucking, engineering, surveying and traffic control.

### **Other areas of focus will include:**

- **LGBT business enterprises** – In response to Assembly Bill 1678, which was enacted on September 26, 2014 to include LGBT-owned business under General Order 156, SoCalGas will continue to work with key internal stakeholders to formally align and mobilize our LGBT supplier diversity effort with our corporate diversity and inclusion strategy and objectives. In doing so, we will expand and strengthen relationships with our internal organization and promote and increase

supplier diversity participation in our strategic planning efforts.

- **Supplier Quick Pay** – With cash liquidity being a challenging issue for most small businesses, we have formally pledged our support to the federal government’s Supplier Quick Pay commitment to establish an accelerated payment program for our small businesses. In Phase 1, SCORE suppliers will be enrolled in our new Supplier Quick Pay Program. This phase will modify existing contract terms for qualified SCORE suppliers to Net 15-day, with no discount, versus our standard 2 percent Net 45.
- **WMDVBE Reporting** – As part of our continuous process improvement, we plan to roll out a new application that will enhance our reporting capabilities and improve our dashboard for better monitoring. Our new tool will also include a self-service portal to give our suppliers and stakeholders access to this information.
- **SCORE** – We will focus on expanding purchases with current SCORE contractors and providing opportunities for new smaller contractors through the program. We will continue our mentoring relationship with two smaller diverse firms and provide individual coaching and introductions for potential business opportunities, conduct ongoing meetings to help their progress, and explore ideas to expand their business.

## INTERNAL ACTIVITIES

We understand that we simply cannot rest on our current successes. We plan to build on our 2014 successes by looking for ways to improve and innovate. As an organization, we must continue to benchmark and identify best practices in supplier diversity and sustain our performance.

As outlined in our CEO’s 2014 En Banc remarks, SoCalGas will focus on six key initiatives in 2015:

- Support the CPUC’s effort to mentor small municipal utilities
- Share SoCalGas’ safety best practices with diverse suppliers through a Safety Congress

- Leverage our bank deposits with financial institutions to better engage WMDVBEs’ access to capital
- Implement an expedited supplier payment program for qualified WMDVBEs
- Identify ways to make it easier for diverse firms to work with us
- Provide information to diverse suppliers about our invoicing automation process

In addition, we believe that a strategic and targeted approach to supplier diversity will allow us to solidify our portfolio strengths and continue to elevate our spending, particularly with Native American- and SDVBE-owned firms.

Additionally, we will continue to:

- Have Supplier Diversity team members work with Procurement portfolio managers and their teams to address contract opportunities.
- Strengthen internal business unit relationships to provide qualified diverse firms where needed
- Create opportunities to bring diverse firms and SoCalGas decision-makers together at networking events
- Participate in Procurement’s strategic sourcing initiatives and work with the group and internal clients to address any subcontracting issues with prime contractors
- Provide training for those with procurement responsibility on diverse supplier reporting and database capabilities
- Employ internal communication vehicles to educate and inform employees on supplier diversity strategy and activities
- Provide monthly WMDVBE results to Procurement staff and division leaders
- Recognize employees who contribute to the success of SoCalGas’ supplier diversity results

## >> Johnson-Peltier

# Long-time relationship fuels steady growth

Johnson-Peltier has performed a wide range of jobs for SoCalGas during the last 25 years. But in 2014, the electrical contractor began work on its largest contract yet for the utility's Pipeline Safety Enhancement Plan.

The Native American-owned firm has a multimillion dollar, three-year contract to install monitoring panels, wiring and tubing so valves on SoCalGas pipelines can be automatically or remotely controlled.



*In 2014, Johnson-Peltier began installing monitoring panels, wiring and tubing so valves on SoCalGas pipelines can be automatically or remotely controlled as part of PSEP. The Johnson-Peltier team includes (from left) Kim Rowell, Craig Bingham and Kevin Peltier.*

***'SoCalGas expects a high-quality installation with a focus on safety. They won't settle for work that's not up to their standard.'***

"When the PSEP work gets fully underway, we expect to increase staff by 15 to 20 people," says Craig Bingham, Johnson-Peltier's senior project manager in charge of construction development, noting the work represents a significant amount of the company's annual revenues.

The Santa Fe Springs-based firm learned about the PSEP contract opportunity through SoCalGas' Supplier Diversity team. "They let us know it was coming up and provided input on the Request for Proposal process," he adds.

The team also provided assistance in other ways. They introduced Johnson-Peltier representatives to decision makers at the utility, which led to additional work, and sponsored the firm in the UCLA Management Development for Entrepreneurs.

"SoCalGas' commitment to supplier diversity is head and shoulders above most companies," says Bingham. "They're not just looking to fill a number – they expect a high-quality installation with a focus on safety. They won't settle for work that's not up to their standard. We appreciate that level of commitment."

## EXTERNAL ACTIVITIES

SoCalGas will continue to partner with WMDVBES, CPUC, peer utilities, Small Business Administration (SBA), community organizations, and others to expand our supplier diversity scope and promote the use of diverse suppliers through our industry affiliations and other partnerships.

We will expand our reach to WMDVBES in partnership with our business and community partners in the following ways:

- Identify SCORE opportunities for small diverse suppliers
- Provide opportunities through targeted Supplier Diversity Business Showcase events

- Attend and support SDVBE events and build relationships that will result in identifying firms that can provide products and services to SoCalGas
- Explore other potential relationships in which high-capacity diverse firms can be recruited and developed in new and emerging areas
- Invest in supplier development programs with universities and other entities
- Invite high potential diverse suppliers to conferences to increase their awareness of opportunities
- Work with key organizations to identify and develop diverse suppliers in areas of low utilization, such as legal and financial services

### 10.1.3 RECRUITMENT PLANS FOR LOW WMDVBE UTILIZATION

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To increase opportunities in areas with low WMDVBE utilization, we plan to:

- Contact diverse suppliers who are not currently certified and encourage them to seek verification
- Target high potential SDVBES for opportunities
- Foster strategic relationships with diverse firms positioned to secure contracts in areas such as legal and financial services
- Invite company Procurement agents and key decision makers to attend networking workshops with potential diverse contractors and subcontractors
- Participate in planning and pre-bid meetings to promote diverse supplier participation

#### LEGAL

Our efforts will continue to identify and expand new opportunities for diverse legal firms. We plan to participate in outreach activities and engage bar associations and legal organizations that promote diversity. Please refer to the legal section under 9.1.8 Efforts to Recruit Diverse Suppliers in Underutilized Areas.

#### FINANCE

Increasing opportunities for diverse suppliers in the finance area will remain a high priority at SoCalGas. We will continue to have executives, finance directors and managers actively involved in outreach activities, including CPUC/Utility Chief Financial Officer forums and internal meetings with high-capacity diverse firms.

Our plans for 2015 include:

- Investing in minority area-focused community finance development institutions
- Identifying and utilizing high potential diverse firms to manage pension and specialty funds
- Identifying and engaging qualified diverse auditing firms for employee benefit and other specialty audits
- Searching for specific subcontracting opportunities for inclusion with majority-owned banking and financing institutions

## >> CareOnSite

# Successful partnership leads to additional work

Providing prompt medical attention to employees who are injured or become ill at work has always been a top priority for SoCalGas. Thanks to a partnership with CareOnSite, an occupational health services provider, these employees can be immediately treated on-site at six SoCalGas locations.

### *'SoCalGas was our first utility client to use telemedicine...they opened doors for us.'*

The Asian American- and woman-owned firm founded by board-certified occupational physicians Helen and Brian Tang began offering first aid treatment for injury and illness care at the utility's San Dimas office in 2010.

CareOnSite provided an occupational nurse on-site and two-way HIPAA-compliant videoconferencing and telemedicine equipment that allowed physicians to communicate with employee patients, access vitals, provide treatment or determine whether further care is needed.

The work with CareOnSite was so successful that SoCalGas expanded the firm's services to five other regional offices and added mobile services with vans traveling to 57 locations to perform employee medical tests to serve employees who are covered in the Hearing Conservation and Respiratory Protection safety program.

"Our services have been well received by employees...they see the convenience of having us on-site," says Helen Tang, noting that injuries range from dog bites, muscle strains and sprains to contusions and puncture wounds.

As a result of the work with SoCalGas, CareOnSite has increased its staff by 10 percent. Today, the Long Beach-based firm has about 300 employees working out of its three clinics and multiple employer sites in California and nationally.

"We are very grateful for SoCalGas' support and helping us grow," says Brian, adding the utility sponsored Helen, his wife, in UCLA's Advanced Technology Management Institute. "SoCalGas was our first utility client to use telemedicine - they were on the cutting-edge before a lot of other companies. They opened doors for us."



*The CareOnSite team at SoCalGas' headquarters in downtown Los Angeles. From left: Denice Clark, Carmen Hernandez, and Helen and Brian Tang.*

### 10.1.4 EXCLUSIONS

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SoCalGas has eliminated all excludable items in compliance with the recent modifications made to General Order 156.

### 10.1.5 SUBCONTRACTING PLANS

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Our plans to increase diverse subcontracting opportunities include:

- Developing, implementing and monitoring diverse business sourcing plans for major capital projects
- Conducting meetings with top prime suppliers to increase their subcontracting performance
- Creating targeted showcases that introduce primes to diverse suppliers to readily team when future opportunities arise
- Utilizing an internal reporting tool to identify subcontracting opportunities and challenges
- Partnering with Procurement to create a contractor's checklist and manage diverse vendor subcontracting plans
- Contacting diverse subcontractors who are not currently verified and encouraging them to seek certification
- Ensuring that RFPs and final contracts contain diverse vendor subcontracting plans
- Inviting prime contractors to attend networking workshops with potential diverse subcontractors as well as company Procurement agents and key decision-makers
- Monitoring and enforcing diverse vendor subcontracting commitments and performance
- Participating in planning and pre-bid meetings to promote diverse supplier participation
- Providing monthly subcontracting results to Procurement staff and division leaders

### 10.1.6 PROGRAM COMPLIANCE

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SoCalGas will continue efforts to meet or exceed all requirements established by General Order 156. This effort includes working internally to help ensure that spend with LGBT suppliers is captured.



*SoCalGas Senior Counsel Kamyar Ghaneabassiri at California Minority Counsel Program Business Conference.*



# 2014 ANNUAL REPORT AND 2015 ANNUAL PLAN - FUEL PROCUREMENT FOR NON-GENERATION



## 2014 ANNUAL REPORT - FUEL PROCUREMENT FOR NON-GENERATION

To meet customer requirements and maintain pipeline reliability, we purchase natural gas supplies from Canada, the U.S. Rockies, and the southwestern U.S. These purchases are through short- and long-term contracts for SoCalGas and SDG&E core customers. We also procure some California natural gas production and additional supplies. Natural gas purchases are primarily based on published monthly bid-week indices.

### 2014 HIGHLIGHTS

During the year, we experienced higher than normal temperatures in Southern California, which led to lower natural gas purchases and consumption for home heating. Despite the warmer weather and lower overall natural gas purchases, we remained

committed to expanding our diverse supplier base. In 2014, SoCalGas spent over \$330 million in natural gas purchases with diverse suppliers, representing 16.6 percent of total purchases.

Diverse suppliers again faced difficult market conditions and credit challenges, but the overall WMDVBE natural gas segment remained resilient. We remained focused on incorporating new diverse businesses into our supplier diversity activities and expanding procurement opportunities for existing suppliers.

Our Gas Acquisition team continued to mentor a diverse natural gas firm on our procurement process, which resulted in more purchases with this woman-owned supplier.

### OUR PURCHASES INCLUDED:

**\$167.6M**

From African American-owned suppliers, or **8.4** percent

**\$35.0M**

From Hispanic American-owned suppliers, or **1.7** percent

**\$59.1M**

From Asian Pacific American-owned suppliers, or **2.9** percent

**\$2.1M**

From women-owned suppliers, or **.11** percent

**\$49.1M**

From federally recognized tribes (sovereign nations) and Native American-owned natural gas suppliers, or **2.4** percent

**\$17.0M**

From service disabled veteran-owned suppliers, or **.86** percent

We will continue to build on this momentum to increase WMDVBE natural gas purchases in 2015.

## >> R.E.M. Engineering Company, Inc.

### *Building a bridge to the future*

Few businesses can claim they've had the nation's largest natural gas utility as an ongoing client. But for the past 35 years, R.E.M. Engineering Company, Inc., has been involved with numerous SoCalGas projects.

The Pasadena-based design-build firm has worked on the utility's compressor stations, CNG/LNG fueling systems, loading docks, electrical system upgrades, and fire alarm system installations. More recently, it provided engineering services for the PSEP and the utility's first ADA/handicapped accessibility initiative.

The service-disabled veteran- and African American-owned firm has a long practice of supporting SoCalGas' diverse subcontracting initiative. The firm hires diverse subcontractors, as the project requires, to perform surveying, structural engineering, construction and other services to collectively work with its own staff.

***'SoCalGas has always given us a welcome mat. That started 35 years ago when we first knocked on their door.'***

Like many smaller companies, the firm's growth has had its highs and lows. "The recent recession, coupled with the cancellation of a major Veterans Affairs solar project, hit the company especially hard, forcing us to reduce staff to 12," according to R.E.M. President Bob Milton. "However, our long-lasting relationship with SoCalGas has provided ongoing project work."

R.E.M. Engineering's experience with gas storage and handling, facilities renovations and its work with SoCalGas helped the firm expand into the government sector, where it has provided services for the city of Los Angeles, MTA, Kern County, Verizon, U.S. General Services Administration and the Department of Veterans Affairs.

"SoCalGas has always given us a welcome mat," says Milton. "That started 35 years ago when we first knocked on their door. They gave us an opportunity and helped us establish a track record and a resumé we could use with other clients. They helped us build a bridge to the future."



***R.E.M. Engineering Company has had a partnership with SoCalGas spanning 35 years. R.E.M. Founder Bob Milton (left) says SoCalGas "helped us establish a track record...we could use with other clients." Also pictured is Joel Damian.***

## 9.1.1 PROGRAM ACTIVITIES

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### INTERNAL ACTIVITIES

#### EXECUTIVE BRIEFINGS

SoCalGas executives and managers reviewed monthly status reports to monitor and stay abreast of WMDVBE gas purchases. These updates kept supplier diversity activities front and center and encouraged Gas Acquisition managers to identify and engage qualified diverse firms in their purchasing activities.

#### INTERNAL PARTNERSHIPS

Our Supplier Diversity and Gas Acquisition teams continued to maintain ongoing contact and partnered together to create growth opportunities for diverse suppliers. This included arranging introductory meetings with new firms and building relationships between energy buyers and WMDVBEs.

### EXTERNAL ACTIVITIES

We participated in a number of activities to promote the use of diverse firms for natural gas purchases. These included:

- Providing diverse suppliers with educational opportunities, including mentoring, training and increased access to information.
- Sharing supplier diversity business strategies with other natural gas industry executives to encourage their participation in promoting opportunities with WMDVBEs.
- Organizing events to enhance and develop new relationships between major gas suppliers and diverse firms.

- Encouraging other utilities, energy companies and the banking community to use the Funds Transfer Agency Agreement (FTAA) to assist WMDVBEs with credit issues. The FTAA is an outgrowth of an effort by SoCalGas and others to address finance issues facing minority-owned businesses.
- Reaching out to federally recognized tribes and Native American-owned businesses. Through the years, our efforts have resulted in \$1 billion-plus in natural gas purchases from tribal and Native American-owned companies.

SoCalGas has long been a leader in advancing supplier diversity in energy markets. From the late 1980s through the mid-1990s, we led the nation's first WMDVBE natural gas workshop, worked with the U.S. Department of Energy (DOE) to form a business roundtable to promote diverse firms in energy markets, and worked with the DOE and a minority supplier to develop a national financing tool for diverse suppliers, which led to more than \$2 billion in transactions with diverse suppliers across the country.

Through the years, we have also worked with the CPUC and other utilities to develop and promote a national utility WMDVBE program supported by the National Association of Regulatory Utility Commissioners (NARUC).

## 9.1.2 SUMMARY OF PURCHASES/CONTRACTS

### Fuels for Non-Generation Purchases • January 2014 - December 2014

	Dollars	Volume (Billion BTUs)
Canadian Source Gas	\$72,473,503	17,530
Total Gas Purchases	\$1,583,371,989	359,776
All Offshore Source Gas	\$330,234,915	74,257
Gas Purchases/Payments - Other Utilities	-	-
<b>Net Natural Gas</b>	<b>\$1,986,080,407</b>	<b>451,563</b>

## 9.1.3 PROGRAM EXPENSES

Program expenses are included in Section 9.1.3 Program Expenses in the 2014 Product and Services Procurement Results.

## 9.1.4 GOAL PROGRESS

In 2014, SoCalGas purchased 16.6 percent from diverse natural gas suppliers, totaling more than \$330 million. Below is a breakdown of our natural gas purchases:

- Federally recognized tribes (sovereign nations) and Native American-owned: \$49.1 million;
- African American-owned: \$167.6 million
- Hispanic American-owned: \$35 million
- Asian Pacific American-owned: \$59.1 million
- Woman-owned: \$2.1 million
- SDVBE-owned: \$17 million

As noted earlier, the WMDVBE segment remained resilient despite difficult market conditions and challenging credit prospects. Still, SoCalGas experienced a decline in purchases with federally recognized tribes (sovereign nations) and Native American-owned natural gas suppliers due to a tribe's declining gas production.

## 9.1.5 SUBCONTRACTORS

There were no subcontractor opportunities available.

## 9.1.6 COMPLAINTS

There were no formal WMDVBE complaints or lawsuits filed in 2014 against SoCalGas.

## 9.1.7 EXCLUSIONS

With the CPUC's decision to end excludable categories, SoCalGas no longer reduces the procurement base with Canadian and offshore volumes.

### 9.1.8 EFFORTS TO RECRUIT DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

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SoCalGas again encouraged diverse suppliers to develop relationships with domestic onshore producers as well as those from Canada. Increasing participation of diverse gas suppliers will continue to be challenging due to credit conditions that are affecting diverse firms in the wholesale energy and natural gas markets.

Also, major suppliers continue to be sporadic in their supply to the West Coast markets. Other major energy companies have increasingly tightened credit and supply for diverse firms, which generally have small asset bases and even in the best conditions,

would hinder credit and supply – essential elements for growth.

Our outreach and supplier development efforts will continue to support WMDVBE growth in the natural gas market. One of SoCalGas' future challenges will be finding more wholesale oil and gas producers to conduct business with diverse gas suppliers. However, we remain hopeful that our efforts and encouragement by the federal government and regulatory bodies, such as NARUC, will help sustain diverse supplier prospects and these firms will be successful in the 2015 marketplace.

### 9.1.9 RETENTION OF ALL DOCUMENTS/DATA

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SoCalGas will comply with all required document retention regulations.

### 9.1.10A PARTICIPATION RESULTS BY FUEL CATEGORY

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Please refer to Chart Addendum A8 on page 45 for participation results by fuel category.

### 9.1.10B MARKET CONDITIONS AND OUTREACH

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In today's natural gas market, new and existing diverse firms continue to face several challenges to remain competitive. The natural gas market has seen weak volatility and low natural gas prices due to additional sources of shale natural gas.

Despite low natural gas prices, diverse suppliers continue to face exposure to risk which limits their ability to grow their business. Most of the major

energy companies have continued to uphold their credit policies, which have restricted the participation of diverse suppliers. To create opportunities for WMDVBES, SoCalGas continues to encourage major energy producers and marketers to work with diverse suppliers utilizing an FTAA to assist with credit issues.

Please refer to 9.1.1 for information about SoCalGas' outreach activities.

# 2015 ANNUAL PLAN - FUEL PROCUREMENT FOR NON-GENERATION

## 10.1.1 GOALS

SoCalGas will continue to work toward meeting short-, mid- and long-term goals of 21.5 percent, which also support the CPUC goal.

Category	2015 GOALS	2017 GOALS	2019 GOALS
Minority-Owned	15.0%	15.0%	15.0%
Women-Owned	5.0%	5.0%	5.0%
Service-Disabled Veteran-Owned	1.5%	1.5%	1.5%
<b>Total</b>	<b>21.5%</b>	<b>21.5%</b>	<b>21.5%</b>

## 10.1.2 PLANNED ACTIVITIES

### INTERNAL ACTIVITIES

We will continue to work diligently to increase our diverse natural gas supplier base in 2015. This includes providing mentoring and other assistance to high potential emerging suppliers.

Our activities will involve the following:

- Continuing buyer interaction with diverse firms
- Reaching out to emerging diverse natural gas suppliers
- Tracking goals with Gas Acquisition staff and managers
- Regularly reviewing WMDVBE accomplishments with Gas Acquisition and Gas Supply managers
- Regularly reviewing WMDVBE natural gas progress with senior management
- Working with business associations to identify potential diverse firms

### EXTERNAL ACTIVITIES

We will continue to promote the use of diverse suppliers through our industry affiliations and other partnerships. Our activities will include:

- Mentoring and developing diverse firms
- Providing WMDVBE support to access financing and credit institutions
- Participating in energy industry fairs to promote diverse supplier opportunities
- Providing diverse suppliers with educational opportunities
- Encouraging major energy companies' participation in trading with diverse businesses
- Serving in a leadership role in the NARUC Utility Marketplace Access Partnership and National Utilities Diversity Council
- Working with key organizations to identify and develop diverse suppliers

### 10.1.3 RECRUITMENT PLANS FOR LOW WMDVBE UTILIZATION

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We will continue to consider competitive offers from natural gas companies originating in all markets, including Canadian and offshore markets. SoCalGas plans to participate in trade fairs to recruit and

engage WMDVBE participation in all markets and encourage potential diverse suppliers to participate in natural gas procurement programs. We expect these efforts to show progress in 2015.

### 10.1.4 EXCLUSIONS

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SoCalGas has eliminated all excludable items in compliance with the recent modifications made to General Order 156.

### 10.1.5 SUBCONTRACTING PLANS

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There are no subcontractor opportunities currently available.

### 10.1.6 PROGRAM COMPLIANCE

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SoCalGas will continue outreach activities to diverse firms and strive to either meet or exceed all requirements established in General Order 156.

This effort includes working internally to help ensure that spend with LGBT suppliers is captured.





## >> Pinnacle Petroleum, Inc.

# Work leads to a stronger, better company

When Pinnacle Petroleum, Inc. started providing fuel for SoCalGas' fleet vehicles in 2006, owner Liz McKinley had no idea that the utility's insistence on "best in class" service would make her firm a better and stronger company.

***'Our business with SoCalGas is very important...We have a real partnership with them.'***

Pinnacle was already a successful marketer and seller of refined petroleum products when it was awarded the SoCalGas contract, but as the partnership evolved, the utility made inquiries about the company's contingency plans.

McKinley, who started the Huntington Beach-based company in 1995 after working as a trader in the oil industry, soon developed a comprehensive emergency plan and bought backup generators. "Now, if a major emergency happens, we can still run. Had they not asked the question, we wouldn't be as prepared," she says.

Later, SoCalGas asked Pinnacle to develop a reporting system to track on-time deliveries, savings, re-bills and more. Pinnacle developed a matrix that provides SoCalGas with information to gauge its performance, which has shown that on-time orders occur 99 percent of the time.

Pinnacle makes these customized reports available to other clients. "It's been a wonderful selling tool," says McKinley.



***Pinnacle Petroleum founder Liz McKinley (center) says work with SoCalGas has contributed to her company's growth. Today, Pinnacle provides services in 14 states. Company team members also include Anthony Davis and Jewelia Cruz.***

The work with SoCalGas has contributed to Pinnacle's remarkable growth. The woman-owned firm has more than doubled its revenues in the last eight years, and today it has 28 employees and provides services in 14 states.

"Our business with SoCalGas is very important. And, they have kept us on our toes and in front of issues that may come up. We have a real partnership with them," she adds.

# ADDENDUMS

## A1 9.1.2 SoCalGas WMDVBE Annual Results by Ethnicity - 2014

		Direct \$	Sub \$	Total \$	%
Minority Men	African American	13,546,070	39,805,736	53,351,806	4.52%
	Asian Pacific American	42,896,751	7,569,782	50,466,533	4.28%
	Hispanic American	102,956,690	23,491,559	126,448,249	10.71%
	Native American	6,374,875	2,754,327	9,129,202	0.77%
	Other	-	29,139	29,139	0.00%
	<b>Total Minority Men</b>	<b>165,774,385</b>	<b>73,650,543</b>	<b>239,424,928</b>	<b>20.29%</b>
Minority Women	African American	10,660,549	1,944,232	12,604,781	1.07%
	Asian Pacific American	11,122,940	511,256	11,634,196	0.99%
	Hispanic American	112,887,942	11,220,011	124,107,953	10.52%
	Native American	319,763	229,830	549,593	0.05%
	Other	1,945,560	88,191	2,033,751	0.17%
	<b>Total Minority Women</b>	<b>136,936,755</b>	<b>13,993,520</b>	<b>150,930,275</b>	<b>12.79%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>302,711,139</b>	<b>87,644,063</b>	<b>390,355,202</b>	<b>33.08%</b>
<b>Women Business Enterprise (WBE)</b>		<b>108,922,721</b>	<b>44,741,417</b>	<b>153,664,138</b>	<b>13.02%</b>
<b>Subtotal Women, Minority Business Enterprise (WMBE)</b>		<b>411,633,861</b>	<b>132,385,480</b>	<b>544,019,341</b>	<b>46.10%</b>
<b>Service-Disabled Veteran Business Enterprise (SDVBE)</b>		<b>11,705,054</b>	<b>15,703,396</b>	<b>27,408,450</b>	<b>2.32%</b>
<b>TOTAL WMDVBE</b>		<b>423,338,915</b>	<b>148,088,876</b>	<b>571,427,791</b>	<b>48.42%</b>
<b>Total Procurement \$</b>		<b>1,180,140,852</b>			

## A2 9.1.2 SoCalGas WMDVBE Procurement by Product and Service Categories - Direct - 2014

			Products \$	%	Services \$	%	Total \$	%
Minority Men	African American	Direct	6,090,160	1.67%	7,455,910	0.91%	13,546,070	1.15%
	Asian Pacific American	Direct	24,273,316	6.66%	18,623,435	2.28%	42,896,751	3.63%
	Hispanic American	Direct	13,223,996	3.63%	89,732,694	11.00%	102,956,690	8.72%
	Native American	Direct	46,842	0.01%	6,328,032	0.78%	6,374,875	0.54%
	Other	Direct	-	0.00%	-	0.00%	-	0.00%
	<b>Total Minority Men</b>	<b>Direct</b>	<b>43,634,313</b>	<b>11.98%</b>	<b>122,140,071</b>	<b>14.97%</b>	<b>165,774,385</b>	<b>14.05%</b>
Minority Women	African American	Direct	647,822	0.18%	10,012,728	1.23%	10,660,549	0.90%
	Asian Pacific American	Direct	8,332,380	2.29%	2,790,560	0.34%	11,122,940	0.94%
	Hispanic American	Direct	98,091,365	26.93%	14,796,577	1.81%	112,887,942	9.57%
	Native American	Direct	196,923	0.05%	122,840	0.02%	319,763	0.03%
	Other	Direct	13,459	0.00%	1,932,101	0.24%	1,945,560	0.16%
	<b>Total Minority Women</b>	<b>Direct</b>	<b>107,281,948</b>	<b>29.45%</b>	<b>29,654,806</b>	<b>3.63%</b>	<b>136,936,755</b>	<b>11.60%</b>
<b>Total Minority Business Enterprise (MBE)</b>		<b>Direct</b>	<b>150,916,262</b>	<b>41.43%</b>	<b>151,794,878</b>	<b>18.61%</b>	<b>302,711,139</b>	<b>25.65%</b>
<b>Women Business Enterprise (WBE)</b>		<b>Direct</b>	<b>28,839,941</b>	<b>7.92%</b>	<b>80,082,780</b>	<b>9.82%</b>	<b>108,922,721</b>	<b>9.23%</b>
<b>Subtotal Women, Minority Business Enterprise (WMBE)</b>		<b>Direct</b>	<b>179,756,203</b>	<b>49.35%</b>	<b>231,877,658</b>	<b>28.42%</b>	<b>411,633,861</b>	<b>34.88%</b>
<b>Service-Disabled Veteran Business Enterprise (SDVBE)</b>		<b>Direct</b>	<b>1,795,430</b>	<b>0.49%</b>	<b>9,909,625</b>	<b>1.21%</b>	<b>11,705,054</b>	<b>0.99%</b>
<b>TOTAL WMDVBE</b>		<b>Direct</b>	<b>181,551,633</b>	<b>49.84%</b>	<b>241,787,282</b>	<b>29.64%</b>	<b>423,338,915</b>	<b>35.87%</b>
<b>Total Products Procurement \$</b>			<b>364,279,445</b>					
<b>Total Services Procurement \$</b>			<b>815,861,408</b>					
<b>Total Procurement \$</b>			<b>1,180,140,852</b>					

Percentages for "Products" expenditures are WMDVBE expenditures compared to "Total Product Procurement" expenditures  
 Percentages for "Services" expenditures are WMDVBE expenditures compared to "Total Services Procurement" expenditures  
 Percentages for "Total" expenditures are WMDVBE expenditures compared to "Total Procurement" expenditures

**A3 9.1.2 SoCalGas WMDVBE Procurement by Product and Service Categories - Subcontracting - 2014**

			Products \$	%	Services \$	%	Total \$	%
<b>Minority Men</b>	African American	Sub	26,348,261	7.23%	13,457,475	1.65%	39,805,736	3.37%
	Asian Pacific American	Sub	1,448,992	0.40%	6,120,790	0.75%	7,569,782	0.64%
	Hispanic American	Sub	1,264,855	0.35%	22,226,704	2.72%	23,491,559	1.99%
	Native American	Sub	870,740	0.24%	1,883,587	0.23%	2,754,327	0.23%
	Other	Sub	29,139	0.01%	-	0.00%	29,139	0.00%
	<b>Total Minority Men</b>	Sub	<b>29,961,987</b>	<b>8.23%</b>	<b>43,688,556</b>	<b>5.35%</b>	<b>73,650,543</b>	<b>6.24%</b>
<b>Minority Women</b>	African American	Sub	-	0.00%	1,944,232	0.24%	1,944,232	0.16%
	Asian Pacific American	Sub	143,281	0.04%	367,975	0.05%	511,256	0.04%
	Hispanic American	Sub	2,398,731	0.66%	8,821,280	1.08%	11,220,011	0.95%
	Native American	Sub	222,541	0.06%	7,289	0.00%	229,830	0.02%
	Other	Sub	2,520	0.00%	85,671	0.01%	88,191	0.01%
	<b>Total Minority Women</b>	Sub	<b>2,767,073</b>	<b>0.76%</b>	<b>11,226,447</b>	<b>1.38%</b>	<b>13,993,520</b>	<b>1.19%</b>
<b>Total Minority Business Enterprise (MBE)</b>		Sub	<b>32,729,060</b>	<b>8.98%</b>	<b>54,915,003</b>	<b>6.73%</b>	<b>87,644,063</b>	<b>7.43%</b>
<b>Women Business Enterprise (WBE)</b>		Sub	<b>6,201,941</b>	<b>1.70%</b>	<b>38,539,476</b>	<b>4.72%</b>	<b>44,741,417</b>	<b>3.79%</b>
<b>Subtotal Women, Minority Business Enterprise (WMBE)</b>		Sub	<b>38,931,001</b>	<b>10.69%</b>	<b>93,454,479</b>	<b>11.45%</b>	<b>132,385,480</b>	<b>11.22%</b>
<b>Service-Disabled Veteran Business Enterprise (SDVBE)</b>		Sub	<b>8,531,880</b>	<b>2.34%</b>	<b>7,171,516</b>	<b>0.88%</b>	<b>15,703,396</b>	<b>1.33%</b>
<b>TOTAL WMDVBE</b>		Sub	<b>47,462,881</b>	<b>13.03%</b>	<b>100,625,995</b>	<b>12.33%</b>	<b>148,088,876</b>	<b>12.55%</b>
<b>Total Products Procurement \$</b>			<b>364,279,445</b>					
<b>Total Services Procurement \$</b>			<b>815,861,408</b>					
<b>Total Procurement \$</b>			<b>1,180,140,852</b>					

Percentages for "Products" expenditures are WMDVBE expenditures compared to "Total Product Procurement" expenditures  
 Percentages for "Services" expenditures are WMDVBE expenditures compared to "Total Services Procurement" expenditures  
 Percentages for "Total" expenditures are WMDVBE expenditures compared to "Total Procurement" expenditures

**A4 9.1.2 SoCalGas Procurement by Product Category Summary - 2014**

Products	Total Expenditures
14 - Mining & Quarrying Of Nonmetallic Minerals	\$ 67,708
23 - Apparel & Oth Finished Prods	\$ 483,454
24 - Lumber & Wood Prods, Exc Furniture	\$ 304,814
25 - Furniture & Fixtures	\$ 1,345,972
26 - Paper & Allied Prods	\$ 274,671
28 - Chemicals & Allied Prods	\$ 2,018,430
29 - Petroleum Refining & Related Industries	\$ 2,169,294
30 - Rubber & Misc Plastics Prods	\$ 3,524,436
32 - Stone, Clay, Glass & Concrete Prods	\$ 554,812
33 - Primary Metal Industries	\$ 30,737,359
34 - Fabricated Metal Prods, Exc Machinery	\$ 17,764,433
35 - Industrial & Commercial Machinery	\$ 18,694,192
36 - Electronic & Oth Elec Equip & Components	\$ 3,290,542
37 - Transportation Equipment	\$ 7,032,669
38 - Measuring, Analyzing & Controlling Instruments	\$ 48,806,237
39 - Misc Manufacturing Industries	\$ 218,647
50 - Wholesale Trade; Durable Goods	\$ 181,263,230
51 - Wholesale Trade; Nondurable Goods	\$ 35,342,234
52 - Bldg Matls, Hardware, Garden Supply	\$ 1,325,619
55 - Automotive Dirs & Gasoline Service Stations	\$ 4,201,805
57 - Home Furniture, Furnishings & Equip	\$ 737,644
58 - Eating & Drinking Places	\$ 1,589,371
59 - Misc Retail	\$ 2,531,874
<b>Total Products Procurement</b>	<b>\$ 364,279,445</b>

# A5 9.1.2 SoCalGas Procurement by Product Category Detail - 2014

Products	African American		Asian American		Hispanic American		Native American		Other		Total Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Total WMBVE	Total
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women						
14 - Mining & Quarrying Of Nonmetallic Minerals	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.382	0.00%	0.00%	0.00%	1.382	67,708
23 - Apparel & Other Finished Prods	-	-	337.325	-	-	-	-	-	-	-	337.325	-	337.325	0.00%	0.00%	0.00%	337.325	483,454
24 - Lumber & Wood Prods, Exc Furniture	0.00%	0.00%	13,298	-	13,298	-	-	-	-	-	13,298	-	13,298	0.00%	0.00%	0.00%	13,298	30,814
25 - Furniture & Fixtures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,345,972
26 - Paper & Allied Prods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	126,882	16.882	3.098	0.00%	129,980	274,671
28 - Chemicals & Allied Prods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2,018,430
29 - Petroleum Refining & Related Industries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,175,004	1,175,004	61,568	1,236,572	2,169,294	
30 - Rubber & Misc Plastics Prods	0.00%	0.00%	12,108	-	12,108	-	-	-	-	-	12,108	-	12,108	9,785	21,893	17,946	39,839	35,544,336
32 - Stone, Clay, Glass & Concrete Prods	0.00%	0.00%	85	-	85	-	-	-	-	-	85	-	85	0.00%	0.00%	0.00%	85	554,872
33 - Primary Metal Industries	0.00%	0.00%	24,027,999	-	24,027,999	-	-	-	-	-	24,027,999	-	24,027,999	0.00%	0.00%	0.00%	24,027,999	30,737,359
34 - Fabricated Metal Prods, Exc Machinery	0.00%	0.00%	78,176	0.00%	78,176	0.00%	0.00%	0.00%	0.00%	0.00%	78,176	0.00%	78,176	80,922	0.00%	0.00%	158,100	17,764,433
35 - Industrial & Commercial Machinery	4,638,662	642,943	24,817	3,444	5,281,605	646,387	1,521	46,842	4,688,505	709,229	5,397,734	5,329,968	363,152	5,693,120	30,456	0.00%	30,456	18,694,192
36 - Electronic & Other Elec Equip & Components	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3,290,542
37 - Transportation Equip	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6,910,098	6,910,098	0.00%	6,910,098	7,032,669	
38 - Measuring, Analyzing & Controlling Instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2,466,239	2,466,239	0.00%	2,466,239	48,806,237	
39 - Misc Manufacturing Industries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	218,647
50 - Wholesale Trade, Durable Goods	27,023,646	1,344,376	8,446,532	1,817,151	9,463,684	779,949	222,541	30,959,686	108,617,710	139,111,395	2,283,378	141,394,773	8,126,099	149,520,872	8,126,099	149,520,872	181,263,230	
51 - Wholesale Trade, Nondurable Goods	20,465	0.00%	500	15,490	181,629	373,861	-	2,273	202,594	391,624	594,218	1,686	75,353	27,288,390	2,152,069	29,340,459	35,342,254	
52 - Big Iron, Hardware, Garden Supply	445	0.00%	0.00%	0.00%	402,363	-	-	402,765	-	-	402,765	-	402,765	48,861	48,861	0.00%	48,861	132,669
55 - Automotive Oils & Gasoline Service Stations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	112,193	2,106,152	0.00%	2,106,152	4,201,805	
57 - Home Furniture, Furnishings & Equip	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	130,850	327,773	0.00%	327,773	737,644	
58 - Eating & Drinking Places	745,024	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	58,600	1,296,163	0.00%	1,296,163	1,598,371	
59 - Misc Retail	32,038,421	647,822	25,722,308	8,475,661	14,488,651	100,490,096	917,582	49,464	29,139	15,979	73,595,300	183,445,322	35,041,882	28,687,204	10,327,310	29,014,514	2,531,874	
<b>Total Products Procurement</b>	<b>8.93%</b>	<b>0.88%</b>	<b>7.06%</b>	<b>2.33%</b>	<b>3.99%</b>	<b>27.99%</b>	<b>0.25%</b>	<b>0.12%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>20.29%</b>	<b>50.40%</b>	<b>9.62%</b>	<b>60.09%</b>	<b>2.83%</b>	<b>62.87%</b>	<b>364,279,445</b>	

## A6 9.1.2 SoCalGas Procurement by Service Category Summary - 2014

Services	Total Expenditures	
07 - Agricultural Svcs	\$	2,334,374
13 - Oil & Gas Extraction	\$	37,833,497
15 - Bldg Const-General Contractors	\$	30,511,120
16 - Heavy Const Oth Than Bldg Construction	\$	198,394,100
17 - Const-Special Trade Contractors	\$	126,348,172
27 - Printing, Publishing & Allied Industries	\$	4,442,460
42 - Motor Freight Transportation & Warehousing	\$	15,234,579
45 - Transportation By Air	\$	74,086
46 - Pipelines, Exc Natural Gas	\$	7,032,520
47 - Transportation Svcs	\$	3,086,140
48 - Communications	\$	7,254,758
49 - Electric, Gas & Sanitary Svcs	\$	4,273,065
60 - Depository Institutions	\$	1,088,528
61 - Nondepository Credit Institutions	\$	3,121
62 - Security & Commodity Brokers, Dlrs	\$	13,811,302
64 - Insurance Agents, Brokers & Service	\$	766,937
65 - Real Estate	\$	1,653,813
72 - Personal Svcs	\$	2,620,375
73 - Business Svcs	\$	142,048,264
75 - Automotive Repair, Svcs & Parking	\$	1,367,838
76 - Misc Repair Svcs	\$	11,601,701
78 - Motion Pictures	\$	98,764
80 - Health Svcs	\$	1,469,354
81 - Legal Svcs	\$	10,310,234
82 - Educational Svcs	\$	404,309
83 - Social Svcs	\$	3,150,890
87 - Engrg, Accounting, Research, Mgmt	\$	171,573,033
89 - Svcs, Not Elsewhere Classified	\$	16,256,404
99 - Nonclassifiable Establishments	\$	817,672
<b>Total Products Procurement</b>	<b>\$</b>	<b>815,861,408</b>



**A8 9.1.10A Annual Energy Product Results by Ethnicity & WMDVBE Certification**

		Results by Ethnicity and Gender															Results by WMDVBE Certification					
Product <sup>1</sup>	Unit	Asian Pacific-American			African-American			Hispanic-American			Native American			Other Minority			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (DVBE)	Total WMDVBE Procurement Spend	Total Procurement Spend	
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total						
NATURAL GAS	SHORT TERM	\$	\$9,866,399	\$42,184,043	\$52,050,442	\$55,321,717	\$36,390,417	\$91,712,134	\$35,087,924	\$-	\$35,087,924	\$36,222,147	\$-	\$36,222,147	\$-	\$-	\$-	\$215,072,647	\$2,154,628	\$5,086,936	\$222,314,211	\$1,024,161,419
		%	1.0%	4.1%	5.1%	5.4%	3.6%	9.0%	3.4%	0.0%	3.4%	3.5%	0.0%	3.5%	0.0%	0.0%	0.0%	21.0%	0.2%	0.5%	21.7%	
	LONG TERM	\$	\$-	\$7,129,951	\$7,129,951	\$55,099,192	\$20,806,880	\$75,906,072	\$-	\$-	\$-	\$12,912,696	\$-	\$12,912,696	\$-	\$-	\$-	\$95,948,719	\$-	\$11,971,986	\$107,920,705	\$961,918,988
		%	0.0%	0.7%	0.7%	5.7%	2.2%	7.9%	0.0%	0.0%	0.0%	1.3%	0.0%	1.3%	0.0%	0.0%	0.0%	10.0%	0.0%	1.2%	11.2%	
	Total Natural Gas	\$	\$9,866,399	\$49,313,994	\$59,180,393	\$110,420,909	\$57,197,297	\$167,618,206	\$35,087,924	\$-	\$35,087,924	\$49,134,843	\$-	\$49,134,843	\$-	\$-	\$-	\$311,021,366	\$2,154,628	\$17,058,922	\$330,234,916	\$1,986,080,407
		%	0.5%	2.5%	3.0%	5.6%	2.9%	8.4%	1.8%	0.0%	1.8%	2.5%	0.0%	2.5%	0.0%	0.0%	0.0%	15.7%	0.1%	0.9%	16.6%	
LPG	SHORT TERM	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	LONG TERM	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total LPG	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Overall Total \$</b>		\$9,866,399	\$49,313,994	\$59,180,393	\$110,420,909	\$57,197,297	\$167,618,206	\$35,087,924	\$-	\$35,087,924	\$49,134,843	\$-	\$49,134,843	\$-	\$-	\$-	\$311,021,366	\$2,154,628	\$17,058,922	\$330,234,916	\$1,986,080,407	
<b>Overall Total %</b>		0.5%	2.5%	3.0%	5.6%	2.9%	8.4%	1.8%	0.0%	1.8%	2.5%	0.0%	2.5%	0.0%	0.0%	0.0%	15.7%	0.1%	0.9%	Overall WMDVBE%:	16.6%	

Short Term Gas - The term of the deal is no longer than one calendar month

Long Term Gas - The term of the deal is greater than one calendar month but less than one calendar year

<sup>1</sup>Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives



SoCalGas Supplier Diversity Program  
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For more information, visit **[socalgas.com](http://socalgas.com)** (search "*SUPPLIER DIVERSITY*").