



SOUTHWEST GAS CORPORATION

March 1, 2023

via Electronic Mail

Ms. Rachel Peterson, Executive Director
rachel.peterson@cpuc.ca.gov
California Public Utilities Commission
505 Van Ness Avenue, 5th Floor
San Francisco, California 94102

Re: Southwest Gas Corporation (U 905 G)
Utility Supplier Diversity Program

Dear Ms. Peterson:

Pursuant to Section 9 of General Order 156, Southwest Gas Corporation submits for filing the following:

- Supplier Diversity Program 2022 Annual Report and 2023 Annual Plan
- Supplier Diversity Program 2022 Annual Fuel Procurement Report and 2023 Annual Fuel Procurement Plan

Should you have any questions, please do not hesitate to contact me at (702) 876-7323.

Respectfully submitted,

Valerie J. Ontiveroz
Regulatory Manager/California

Attachment

c: Stephanie Green
CPUC Utility Supplier Diversity Program
stephanie.green@cpuc.ca.gov

Telma Lopez, Manager
Southwest Gas Diversity Programs
telma.lopez@swgas.com

R.21-03-010-Service list

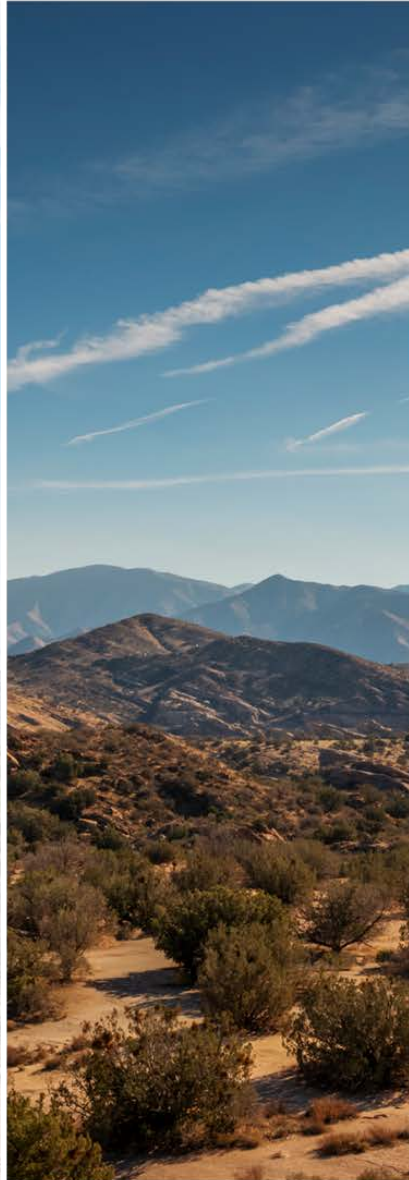


SUPPLIER DIVERSITY™

Growing Opportunities
Powered by Southwest Gas

2022 REPORT • 2023 PLAN

2022 FUEL PROCUREMENT REPORT -
2023 FUEL PROCUREMENT PLAN



SOUTHWEST GAS

Table of Contents

2022 ANNUAL REPORT

Messages from Karen Haller and Justin L. Brown	1
Executive Summary	2
9.1.1 Supplier Diversity Program Activities – Internal and External	4-8
Internal Activities	4
External Outreach Activities	5-6
Creating Value for Diverse Businesses	7
Regulatory Participation	8
9.1.2 Supplier Diversity Procurement 2020 Annual Results	9-15
Table 9.1.2 (A): Annual Results by Ethnicity – Prime Contracting and Subcontracting	9
Table 9.1.2 (B): Annual Results by Product and Service Categories – Direct	10
Table 9.1.2 (C): Annual Results by Product and Service Categories – Subcontracting	11
Standard Industrial Classification Code Reporting.....	12
Table 9.1.2 (D): Annual Results by Product and Service Categories Prime Contractor SIC CODES	13
Table 9.1.2 (E): Annual Results by Suppliers’ Gross Revenue Size	14
Descriptions of WMDVLGBTDBEs with California Majority Workforce	15
9.1.3 Annual Program Expenses	15
Table 9.1.3: Program Expenses	
9.1.4 Annual Results and Goals	15
Table 9.1.4: Results and Goals	
9.1.5 Prime and Subcontracting Utilization of Diverse Suppliers	16
Table 9.1.5: Utilization of Women, Minority or Disabled–Veteran Contractors	
9.1.6 Diverse Supplier Complaints	17
9.1.7 Recruitment Efforts in Low-Utilization Areas	18
Financial Services	18
Legal Services	18
9.1.8 Document Retention	19
9.1.9 Renewable and Non-Renewable Energy	19

Table of Contents

(Continued)

2023 ANNUAL PLAN

10.1.1 Goals	21
Table 10.1.1: Annual, Short-, Mid- and Long-Term Goals	
10.1.2 Description of Planned Program Activities – Internal and External	22
Internal Outreach Activities	22
External Outreach Activities	22
California Outreach Organizations.....	22
10.1.3 Plans for Recruiting Diverse Suppliers in Low-Utilization Areas	23
10.1.4 Plans for Recruiting Diverse Suppliers Where Unavailable	23
10.1.5 Plans for Encouraging Prime Contractors to Engage Diverse Subcontractors	23
10.1.6 General Order 156 Compliance	23

2022 ANNUAL FUEL PROCUREMENT REPORT AND 2023 ANNUAL PLAN

9.1.11 Annual Fuel Procurement Report	25
Current Market Conditions	25
Outreach Efforts	25
Recruiting Diverse Suppliers in Low-Utilization Areas	25
Table 9.1.11: California Fuel Procurement Results for 2022	26
2023 Annual Fuel Procurement Plan	25

A MESSAGE FROM KAREN HALLER, Chief Executive Officer

As Chief Executive Officer of Southwest Gas Holdings, I am proud to reflect on the past year and the wonderful accomplishments related to Supplier Diversity at Southwest Gas. While my leadership role is new, my on-going commitment to Supplier Diversity as well as Diversity, Equity, and Inclusion (DE&I) is not. Having been with Southwest Gas since 1997, I am grateful to have unique insights and perspectives on the path Southwest Gas has taken to build valuable relationships and grow our Supplier Diversity Program to where it is today. For example, in 2019 we launched our first ever DE&I initiative and realigned our Supplier Diversity Program as part of this effort. In 2021 we hired our first ever diversity leader who has done a tremendous job establishing several employee programs and initiatives.

I had the honor of representing Southwest Gas on behalf of our executive team at the last in-person California Public Utilities Commission (Commission) En Banc meeting in 2019. The message I shared was our Company's established track record of meeting Supplier Diversity goals. Southwest Gas' executive team remains firm in this belief, yet we know there is more we can do. To that end, I look forward to working with Justin Brown, President of Southwest Gas, who is also a longtime Southwest Gas employee ready to take our programs to the next level.

A MESSAGE FROM JUSTIN LEE BROWN, President

In 2022, our Company saw many changes take place at the leadership level and in other areas. While I am new to the position of President of Southwest Gas, rest assured, my commitment to, familiarity with and appreciation for our Supplier Diversity Program has deep roots. I am proud of the initiatives Southwest Gas launched and the resources our Company committed to doing business with diverse suppliers and how these programs align with our goal of positively and sustainably making an impact on our customers and the communities we serve.

As we look to this next phase in our Company's future, we pledge to continue to focus on developing and maintaining strong relationships with our existing diverse supplier groups and supplementing these efforts with internal DE&I initiatives. We believe our strategic commitment to diversity of thought among our leaders and in our approach to business will translate into opportunities for diverse suppliers.

Examples of our strong commitment to diversity include educating approximately 2,000 Southwesterners, representing nearly 15,000 hours of training. We created a DE&I Council and network of Diversity Champions, as well as formed three employee resource groups, each with an executive sponsor from our senior leadership team. To assist in refreshing our talent acquisition and development strategies, we engaged Creative Talent Endeavors (a Clearinghouse-Verified diverse firm). We also studied our supplier diversity process, ensuring that our staff reviews the information that is collected from various outreach activities.

Together, Karen and I are pleased to present our 2022 Supplier Diversity Annual Report and 2023 Annual Plan. It highlights many of the accomplishments we touched on and more. We value the relationships we have established and look forward to building upon the momentum of the past few years, operating with integrity and compliance to meet or exceed the expectations of our customers, regulators, and our communities.

EXECUTIVE SUMMARY

As illustrated in the table below, Southwest Gas' 2022 procurement with Clearinghouse-Verified diverse suppliers in California was \$59,889,331. Yet our commitment to advance supplier diversity stretches beyond our California borders and is demonstrated with the additional spend of \$107,704,264 with Clearinghouse-Verified diverse suppliers in support of Southwest Gas' Arizona and Nevada operations.

Our accomplishments in 2022 reflect Southwest Gas' unwavering commitment to offer opportunities for women, minority, lesbian, gay, bisexual, transgender, persons with disabilities, and service-disabled veteran-owned business enterprises.

	California	Arizona and Nevada	Total
Minority Men	\$ 12,171,344	\$ 26,964,366	\$ 39,135,710
Minority Women	\$ 1,271,858	\$ 3,804,737	\$ 5,076,595
Total Minority Business Enterprise (MBE)	\$ 13,443,202	\$ 30,769,102	\$ 44,212,304
Women Business Enterprise (WBE)	\$ 4,236,655	\$ 41,920,095	\$ 46,156,750
Subtotal Women, Minority Business Enterprise (WMBE)	\$ 17,679,858	\$ 72,689,197	\$ 90,369,054
LGBT	\$ 7,564	\$ 2,980	\$ 10,544
Disabled Veteran Business Enterprise (DVBE)	\$ 38,195,474	\$ 35,012,088	\$ 73,207,562
Person with Disabilities Business Enterprise (DBE)	\$ 4,006,435	\$ -	\$ 4,006,435
Total Clearinghouse-Verified Supplier Diversity Procurement	\$ 59,889,331	\$ 107,704,264	\$ 167,593,595
Agency-Certified Spend (Non Clearinghouse)	\$ 5,882	\$ 3,691,400	\$ 3,697,281
Total Net Procurement	\$ 102,262,219		
% Clearinghouse-Verified Procurement	58.6%		

2022 ANNUAL REPORT

9.1.1 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

Internal Activities

Diverse suppliers bring immense value in helping Southwest Gas maintain a robust and sustainable supply chain. Southwest Gas recognizes their contributions, and through our Supplier Diversity Program (Program) is steadfast in our pledge to increase opportunities and deliver positive outcomes for diverse businesses. In 2022, Southwest Gas focused on strengthening relationships and creating partnerships that contribute to the overall success of the Program. Program activities included:

- Collaborating with business units to enhance program awareness and keeping supplier diversity at the forefront;
- Leveraging DE&I efforts to promote supplier diversity and diverse businesses;
- Coming together with business units to assess their needs and identify opportunities for diverse suppliers;
- Meeting regularly with Supply Chain representatives on Program strategy, supplier diversity trends, and best practices;
- Encouraging key stakeholders to utilize diverse suppliers in under spent categories;
- Working closely with internal business units to identify and immediately address issues impacting diverse suppliers;
- Providing opportunities for internal stakeholders to participate in supplier diversity conferences, events, and workshops; and
- Cooperating with internal stakeholders to address the revisions to Rulemaking (R.) 21-03-010 to revise General Order (GO) I56.

COMMITMENT TO DIVERSITY, EQUITY & INCLUSION

Supplier diversity is represented among the pillars of DE&I at Southwest Gas. Through creativity, collaboration and innovation, our focus is to advance a culture of belonging at Southwest Gas and invest in the communities we serve. Supplier diversity reinforces this vision and its success makes us all stronger.



Employee Diversity & Inclusion
Powered by Southwest Gas

9.1.1 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

External Activities

Throughout 2022, Southwest Gas continued to strengthen relationships with our partner organizations and chambers of commerce who share in the vision in developing diverse businesses, economic opportunity and enhancing supplier diversity. Southwest Gas participated and/or sponsored the following outreach activities:

USC Dornsife
Dana and David Dornsife College of Letters, Arts and Sciences
Center for Leadership by Women of Color

Suburban Water Systems
A SouthWest Water Company

Shine Bright!
The Opportunities & Experiences for Women of Color in Utilities

DAWN GILBERT
Director, Supplier Diversity
Frontier Communications

LAUREN JAMES
Director, Communications
Suburban Water Systems

HOLLEY JOY
Supplier Diversity Manager
Golden State Water Company

TELMA LOPEZ
Manager of Diversity Programs
Southwest Gas Company

MODERATED BY DR. KIMBERLY FREEMAN
Associate Dean, Chief Diversity Officer
USC Dornsife College of Letters, Arts, and Science

Wednesday, March 9th, 2022; 12PM (PST)
Register for this virtual panel discussion here:
bit.ly/SHINEBRIGHTPANEL

Program manager Telma Lopez served as a panelist for the USC Shine Bright Women of Color in Utilities discussion that focused on the careers and experiences of women working in the utility industry.

March 9 – Western Regional Minority Supplier Development Council (WRMSDC) Virtual Pitch Event

March 9 – University of Southern California Shine Bright Event! Women of Color in Utilities Event

April 6 – WRMSDC Black In Business Showcase

April 20 – WRMSDC Excellence in Supplier Diversity Awards

May 23-25 – Reservation Economic Development Conference

May 26 – National Utility Diversity Council (NUDC) Conference

June 1 – BuildOut California Founders Day Golden Pitch Event

June 22 – WRMSDC Program Managers Meeting

June 29 – Long Beach LGBTQ Meet the Buyers event

July 13 – California Hispanic Chamber State of the Economy

July 24-26 – American Indian Chamber of Commerce Chamber Expo

9.1.1 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

External Activities

July 28 – WRMSDC Business Opportunity Connections Day

August 1-4 – National LGBT Chamber of Commerce (NGLCC) Conference

August 8 – Los Angeles Gay Lesbian Chamber of Commerce (LAGLCC) Diverse Supplier Connection

August 25 – WRMSDC Multi-Industry Supplier Diversity Expo

October 3 – United States Hispanic Chamber of Commerce Conference

October 13 – WRMSDC Small & Minority Business Opportunity Day

October 16 – High Desert Opportunity Summit

November 8 – CPUC Meet with Utility Representatives Event

November 14-15 – Veterans In Business (VIB) Conference

December 2 – American Indian Chamber of Commerce (AICC) Warrior Luncheon

December 8 – Woman Business Enterprise Council (WBEC) West Procurement Conference



Director of Diversity, Equity & Inclusion, Courtney Moore served as a thought leader at the NUDC conference.



Representatives from Southwest Gas participate in the High Desert Opportunity Summit.

CREATING VALUE FOR DIVERSE BUSINESSES

In 2022, Southwest Gas established a partnership with Certify My Company (CMC) to facilitate the certification process for diverse suppliers. CMC educates suppliers on the benefits of certification and helps them obtain the appropriate documentation.

For Southwest Gas, the collaboration with CMC allows us to accomplish our supplier diversity objectives and help our partners boost their business qualifications. Additionally, increased certifications support Southwest Gas' overall performance while creating positive outcomes for diverse businesses.



Mo Barrett is a retired Air Force Colonel and public speaker. Mo is also a multi-minority (Female, Asian Pacific American, LGBT, and PDBE), hired by Southwest Gas to give two interactive DE&I presentations to employees.

Supplier Diversity Program Staff learned that Mo did not have certification and had unsuccessfully applied at a previous point in time. Program Staff instantly connected Mo with our certification partner, Certify My Company and after a few short weeks, Mo became certified under four categories: Woman, Minority, LGBT and Person with Disabilities Business Enterprise.

"A quick note of deep thanks as the certificates classifying me as a diverse supplier are zipping in ALL thanks to you all with your generous donation of information, connections, and resources! You have provided me with visibility and credibility."

Mo Barrett, Catalytic Comedian, Author

Southwest Gas also partnered with Cox Communications and University of Nevada Las Vegas to sponsor diverse businesses to participate in their Small Business Leadership Academy (SBLA). SBLA is an 8-week seminar that suppliers can attend virtually that teaches small and diverse businesses the skills to be competitive.

Southwest Gas reached out to diverse chambers of commerce throughout our service territories for recommendations from their membership. As a result, an LGBT-owned business located in California was sponsored by Southwest Gas to participate in the program.



9.1.1 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

Regulatory Participation

In 2022, Southwest Gas participated in the following regulatory activities:

- March 3 – Joint Utility & Community Based Organization Meeting
- March 17 – Quarterly Joint Utility Meeting
- June 16 – Quarterly Joint Utility Meeting
- September 15 – Quarterly Joint Utility Meeting
- October 13 – Commission 20th Annual Supplier Diversity En Banc
- November 16 – Special Joint Utility Meeting

CORPORATE COMMITMENT TO DIVERSITY

At Southwest Gas, we recognize that healthy and thriving communities are built through economic opportunity. Southwest Gas takes pride in the partnerships we have developed with small and diverse businesses for more than 30 years. Supplier diversity is core to our business strategy as it supports Southwest Gas' mission, vision, and values. Supplier diversity promotes competition and strengthens our supply base. Southwest Gas is firmly focused on building on our success and growing new opportunities. Our commitment is shared throughout our organization. In 2022, regular updates were provided to Southwest Gas Senior leadership and Board of Directors. Additionally, DE&I and supplier diversity information were shared in Southwest Gas' 2022 Sustainability Report. To access the current report, scan the QR Code or click on the following link: [SWGH-2022-Sustainability-Report.pdf \(swgasholdings.com\)](https://swgasholdings.com/SWGH-2022-Sustainability-Report.pdf).



9.1.2 RESULTS BY ETHNICITY

Ethnicity		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	4,946,531	-	4,946,531	4.8%
	African American	5,181,217	-	5,181,217	5.1%
	Hispanic American	176,465	690,819	867,284	0.8%
	Native American	1,176,312	-	1,176,312	1.2%
	Other	-	-	-	0.0%
Total Minority Male		11,480,525	690,819	12,171,344	11.9%
Minority Female	Asian Pacific American	314,615	-	314,615	0.3%
	African American	-	157,104	157,104	0.2%
	Hispanic American	-	652,918	652,918	0.6%
	Native American	-	147,221	147,221	0.1%
	Other	-	-	-	0.0%
Total Minority Female		314,615	957,243	1,271,858	1.2%
Total Minority Business Enterprise (MBE)		11,795,140	1,648,063	13,443,202	13.1%
Women Business Enterprise (WBE)		3,978,478	258,178	4,236,655	4.1%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		71	7,494	7,564	0.0%
Disabled Veteran Business Enterprise (DVBE)		37,903,587	291,888	38,195,474	37.4%
Persons with Disabilities Business Enterprise (DBE)		-	4,006,435	4,006,435	3.9%
Other 8(a)*		-	-	-	0.0%
TOTAL Supplier Diversity Spend		53,677,274	6,212,057	59,889,331	58.6%
Net Procurement**		102,262,219			

NOTE:

* FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBPDBE

** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS

Direct - DIRECT PROCUREMENT

Sub - SUBCONTRACTOR PROCUREMENT

% - PERCENTAGE OF NET PROCUREMENT

PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

TABLE 9.1.2 (A)

9.1.2 PRODUCTS AND SERVICES

Procurement by Product and Service Categories – Direct

	Ethnicity		Product		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Direct	\$ 4,896,095	53.5%	\$ 50,436	0.1%	\$ 4,946,531	4.8%
	African American	Direct	\$ 1,233	0.0%	\$ 5,179,984	5.6%	\$ 5,181,217	5.1%
	Hispanic American	Direct	\$ -	0.0%	\$ 176,465	0.2%	\$ 176,465	0.2%
	Native American	Direct	\$ -	0.0%	\$ 1,176,312	1.3%	\$ 1,176,312	1.2%
	Other	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Male		Direct	\$ 4,897,327	53.5%	\$ 6,583,197	7.1%	\$ 11,480,525	11.2%
Minority Female	Asian Pacific American	Direct	\$ -	0.0%	\$ 314,615	0.3%	\$ 314,615	0.3%
	African American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Native American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other	Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Female		Direct	\$ -	0.0%	\$ 314,615	0.3%	\$ 314,615	0.3%
Total Minority Business Enterprise (MBE)		Direct	\$ 4,897,327	53.5%	\$ 6,897,812	7.4%	\$ 11,795,140	11.5%
Women Business Enterprise (WBE)		Direct	\$ 742,888	8.1%	\$ 3,235,590	3.5%	\$ 3,978,478	3.9%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$ -	0.0%	\$ 71	0.0%	\$ 71	0.0%
Disabled Veteran Business Enterprise (DVBE)		Direct	\$ -	0.0%	\$ 37,903,587	40.7%	\$ 37,903,587	37.1%
Persons with Disabilities Business Enterprise (DBE)		Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Other 8(a)*		Direct	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
TOTAL SUPPLIER DIVERSITY SPEND		Direct	\$ 5,640,215	61.7%	\$ 48,037,059	51.6%	\$ 53,677,274	52.5%
Net Diverse Procurement			\$ 59,889,331					
Total Product Procurement \$			\$ 9,146,091					
Total Service Procurement \$			\$ 93,116,127					
Net Procurement**			\$ 102,262,219					
Total Number of Diverse Suppliers that Received Direct Spend			27					

TABLE 9.1.2 (B)

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTPDBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2 PRODUCTS AND SERVICES

Procurement by Product and Service Categories – Subcontracting

	Ethnicity		Product		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	African American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic American	Sub	\$ 16,929	0.0%	\$ 673,891	0.7%	\$ 690,819	0.7%
	Native American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Male		Sub	\$ 16,929	0.0%	\$ 673,891	0.7%	\$ 690,819	0.7%
Minority Female	Asian Pacific American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	African American	Sub	\$ -	0.0%	\$ 157,104	0.2%	\$ 157,104	0.2%
	Hispanic American	Sub	\$ 652,918	0.0%	\$ -	0.0%	\$ 652,918	0.6%
	Native American	Sub	\$ 147,221	0.0%	\$ -	0.0%	\$ 147,221	0.1%
	Other	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Female		Sub	\$ 800,139	0.0%	\$ 157,104	0.2%	\$ 957,243	0.9%
Total Minority Business Enterprise (MBE)		Sub	\$ 817,068	8.9%	\$ 830,995	0.9%	\$ 1,648,063	1.6%
Women Business Enterprise (WBE)		Sub	\$ 66,054	0.7%	\$ 192,123	0.2%	\$ 258,178	0.3%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$ -	0.0%	\$ 7,494	0.0%	\$ 7,494	0.0%
Disabled Veteran Business Enterprise (DVBE)		Sub	\$ -	0.0%	\$ 291,888	0.3%	\$ 291,888	0.3%
Persons with Disabilities Business Enterprise (DBE)		Sub	\$ -	0.0%	\$ 4,006,435	4.3%	\$ 4,006,435	3.9%
Other 8(a)*		Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
TOTAL SUPPLIER DIVERSITY SPEND		Sub	\$ 883,122	9.7%	\$ 5,328,934	5.7%	\$ 6,212,057	6.1%
Net Diverse Procurement			\$ 59,889,331					
Total Product Procurement \$			\$ 9,146,091					
Total Service Procurement \$			\$ 93,116,127					
Net Procurement**			\$ 102,262,219					
Total Number of Diverse Suppliers that Received Subcontract Spend			18					

TABLE 9.1.2 (C)

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBDBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2 PRODUCTS AND SERVICES – STANDARD INDUSTRIAL CLASSIFICATION CODE REPORTING

Standard Industrial Classification Code Reporting

Pursuant to Decision D.05-12-023, Southwest Gas reports diverse supplier procurement results by Standard Industrial Classification (SIC) Code. The following is a list of SIC codes and detailed descriptions of the products and/or services that Southwest Gas obtained from Clearinghouse-Verified diverse suppliers throughout 2022. These SIC codes are also utilized in the table on the following page, which provides a breakdown of the dollars spent in each category.

SIC Code	Code Description	Product or Service Provided
16	Underground Utility Contractor	Underground Utility Contractor
17	Special Trade Contractor	Special Trade Contractor
23	Apparel & Other Finished Products	Protection Clothing
26	Chemicals and Allied Products	Industrial Products
33	Primary Metal Industries	Wholesale Goods
34	Fabricated Metal Products	Valves and Pipe Fittings, NEC
37	Transportation Equipment	Transportation Equipment
38	Instruments and Related Products	Industrial Instruments
47	Transportation Services	Logistics Service
50	Wholesale Trade Durable Goods	Industrial supplies, including meter paint and coating, electrical apparatus and equipment wiring suppliers and construction materials
51	Wholesale Trade Durable Goods	Wholesale goods, chemical and construction products
52	Building Materials	Building materials
73	Business Services, NEC	Business Services; Computer Integrated Systems Design & Computer Related Services, Guard Services
87	Engineering & Management Services	Engineering Services
89	Services, NEC	Interior Plant Design

9.1.2 ANNUAL RESULTS BY PRODUCTS AND SERVICE CATEGORIES PRIME CONTRACTOR BY SIC CODES

SIC Category	African American		Asian American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)**	Total Supplier Diversity Spend	Total Procurement
	Male	Female	Male	Female	Male	Female	Male	Female								
16 - Underground Utility Contractor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,445	\$ -	\$ 37,903,587	\$ -	\$ -	\$ 37,981,032	\$ 37,981,032
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.0%	% 37.1%	% 0.0%	% 0.0%	% 37.1%	% 37.1%
17 - Special Trade Contractor	\$ 5,179,984	\$ -	\$ -	\$ -	\$ 673,891	\$ -	\$ -	\$ -	\$ 5,853,875	\$ 808,348	\$ -	\$ -	\$ -	\$ -	\$ 6,662,223	\$ 6,662,223
	% 5.1%	% 0.0%	% 0.0%	% 0.0%	% 0.7%	% 0.0%	% 0.0%	% 0.0%	% 5.7%	% 0.8%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 6.5%	% 6.5%
23 - Apparel & Other Finished Products	\$ -	\$ -	\$ 3,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,570	\$ 3,234	\$ -	\$ -	\$ -	\$ -	\$ 6,803	\$ 6,803
	% 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%
26 - Chemicals and Allied Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922	\$ -	\$ -	\$ -	\$ -	\$ 922	\$ 922
	% 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%
33 - Primary Metal Industries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,988	\$ -	\$ -	\$ -	\$ -	\$ 7,988	\$ 7,988
	% 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%
34 - Fabricated Metal Products	\$ -	\$ -	\$ -	\$ -	\$ 16,929	\$ -	\$ -	\$ -	\$ 16,929	\$ 173,970	\$ -	\$ -	\$ -	\$ -	\$ 190,899	\$ 190,899
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.2%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.2%	% 0.2%
37 - Transportation Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,153	\$ -	\$ -	\$ -	\$ -	\$ 62,153	\$ 62,153
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.1%
38 - Instruments and Related Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,405	\$ -	\$ -	\$ -	\$ -	\$ 58,405	\$ 58,405
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.1%
47 - Transportation Services	\$ -	\$ -	\$ -	\$ 314,615	\$ -	\$ -	\$ -	\$ -	\$ 314,615	\$ -	\$ 7,564	\$ -	\$ -	\$ -	\$ 322,179	\$ 322,179
	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.3%
50 - Wholesale Trade Durable Goods	\$ 1,233	\$ -	\$ 4,896,095	\$ -	\$ -	\$ 652,918	\$ -	\$ 147,221	\$ 5,697,467	\$ 156,785	\$ -	\$ -	\$ -	\$ -	\$ 5,854,252	\$ 5,854,252
	% 0.00%	% 0.00%	% 4.79%	% 0.00%	% 0.00%	% 0.64%	% 0.00%	% 0.14%	% 5.57%	% 0.15%	% 0.00%	% 0.00%	% 0.00%	% 0.00%	% 5.72%	% 5.72%
51 - Wholesale Trade Durable Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,137	\$ 482,137
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.5%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.5%	% 0.5%
52 - Building Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,276	\$ 68,276
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.1%
73 - Business Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,115,875	\$ -	\$ -	\$ 4,006,435	\$ -	\$ -	\$ 6,122,310	\$ 6,122,310
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 2.1%	% 0.0%	% 3.9%	% 0.0%	% 0.0%	% 6.0%	% 6.0%
87 - Engineering & Management Services	\$ -	\$ 157,104	\$ 46,867	\$ -	\$ 176,465	\$ -	\$ 1,176,312	\$ -	\$ 1,556,748	\$ 221,117	\$ -	\$ -	\$ -	\$ -	\$ 1,777,865	\$ 1,777,865
	% 0.0%	% 0.2%	% 0.0%	% 0.0%	% 0.2%	% 0.0%	% 1.2%	% 0.0%	% 1.5%	% 0.2%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 1.7%	% 1.7%
89 - Services, NEC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,888	\$ -	\$ -	\$ -	\$ 291,888	\$ 291,888
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.3%
TOTAL	\$ 5,181,217	\$ 157,104	\$ 4,946,531	\$ 314,615	\$ 867,284	\$ 652,918	\$ 1,176,312	\$ 147,221	\$ 13,443,202	\$ 4,236,655	\$ 7,564	\$ 38,195,474	\$ 4,006,435	\$ -	\$ 59,889,331	\$ 59,889,331
	% 5.1%	% 0.2%	% 4.8%	% 0.3%	% 0.8%	% 0.6%	% 1.2%	% 0.1%	% 13.1%	% 4.1%	% 0.0%	% 37.4%	% 3.9%	% 0.0%	% 58.6%	% 58.6%

Total Product Procurement	\$ 9,146,091
Total Service Procurement	\$ 93,116,127
Net Procurement***	\$ 102,262,219

TABLE 9.1.2 (D)

NOTE: * FIRMS WITH MULT MINORITY OWNERSHIP STATUS
 ** FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMD/LGBT/PDBE
 *** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY
 % - PERCENTAGE OF TOTAL DOLLARS
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2 ANNUAL RESULTS BY SUPPLIERS' GROSS REVENUE SIZE

Data on Number of Suppliers

Number of Diverse Suppliers	Revenue Reported to CHS							Utility - Specific 2022 Summary						
	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	Grand Total	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	Grand Total
Under \$1 million	3	0	2	0	0	0	5	12	24	2	1	0	0	39
Under \$5 million	2	4	0	1	1	0	8	2	1	0	0	1	0	4
Under \$10 million	0	10	0	0	0	0	10	1	0	0	0	0	0	1
Above \$10 million	10	11	0	1	0	0	22	0	0	0	1	0	0	1
Total	15	25	2	2	1	0	45	15	25	2	2	1	0	45

Revenue and Payment Data

Revenue of Diverse Suppliers	Revenue Reported to CHS							Utility - Specific 2022 Summary						
	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	Grand Total	Minority Business Enterprise (MBE)	Woman Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	Grand Total
Under \$1 million	\$ 2	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 3	\$ 2,190,812	\$ 2,196,358	\$ 7,564	\$ 291,888	\$ -	\$ -	\$ 4,686,622
Under \$5 million	\$ 5	\$ 7	\$ -	\$ 1	\$ 4	\$ -	\$ 17	\$ 6,072,407	\$ 2,040,297	\$ -	\$ -	\$ 4,006,435	\$ -	\$ 12,119,138
Under \$10 million	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 5,179,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,179,984
Above \$10 million	\$ 402	\$ 105	\$ 402	\$ 214	\$ -	\$ -	\$ 1,123	\$ -	\$ -	\$ -	\$ 37,903,587	\$ -	\$ -	\$ 37,903,587
Total	\$ 409	\$ 135	\$ 403	\$ 215	\$ 4	\$ -	\$ 1,166	\$ 13,443,202	\$ 4,236,655	\$ 7,564	\$ 38,195,474	\$ 4,006,435	\$ -	\$ 59,889,331

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBDPE

CHS: SUPPLIER CLEARINGHOUSE

REVENUE AND PAYMENT DATA MAY REFLECT ROUNDING DIFFERENCES

TABLE 9.1.2 (E)

9.1.2 DIVERSE SUPPLIERS WITH MAJORITY WORKFORCE IN CALIFORNIA

Based on available information, approximately 55 percent of Southwest Gas' Clearinghouse-Verified diverse suppliers have a majority of their workforce in California.

9.1.3 ANNUAL PROGRAM EXPENSES

Expense Category	2022
Wages	\$ 106,180
Other Employee Expenses	\$ 4,509
Program Expenses	\$ 37,559
Reporting Expenses	\$ -
Training	\$ -
Professional Services	\$ 17,438
Other	\$ 395
Total	\$ 166,080

9.1.4 ANNUAL RESULTS AND GOALS

In 2022, procurement with Clearinghouse-Verified diverse suppliers reached more than \$59 million dollars. This represents 58.6 percent of the Southwest Gas' total procurement in California. While this exceeds our internal procurement goal and the Commission's goal of 22 percent, Southwest Gas will continue to diligently work towards attaining the goals in each individual category.

Category	Goals	2022 Results*
Minority Business Enterprise (MBE)	15.0%	13.1%
Women Business Enterprise (WBE)	5.0%	4.1%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.5%	0.0%
Disabled Veteran Enterprise (DVBE)	1.5%	37.4%
Persons with Disabilities Business Enterprise (DBE)	0.0%	3.9%
Total	22.0%	58.6%

* Percentages may reflect rounding differences

9.1.5 PRIME AND SUBCONTRACTING UTILIZATION OF DIVERSE SUPPLIERS

Southwest Gas' prime contractors are actively encouraged to support diverse subcontractors throughout their supply chains and provide opportunities on Company projects. In 2022, \$6,212,057 in subcontracting spend was reported by seven prime contractors and eighteen diverse subcontractors. This represents a 67 percent increase in reported diverse subcontracting spend from 2021. For the past five years, Southwest Gas has made significant strides in increasing our Tier 2 spend. In 2023, Southwest Gas will continue to collaborate with key stakeholders to expand opportunities and drive greater results.

2022 Southwest Gas	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	Total Supplier Diversity Spend
Direct \$	\$ 11,480,525	\$ 314,615	\$ 11,795,140	\$ 3,978,478	\$ 71	\$ 37,903,587	\$ -	\$ -	\$ 53,677,274
Subcontracting \$	\$ 690,819	\$ 957,243	\$ 1,648,063	\$ 258,178	\$ 7,494	\$ 291,888	\$ 4,006,435	\$ -	\$ 6,212,057
Total \$	\$ 12,171,344	\$ 1,271,858	\$ 13,443,202	\$ 4,236,655	\$ 7,564	\$ 38,195,474	\$ 4,006,435	\$ -	\$ 59,889,331
Direct %	11.2%	0.3%	11.5%	3.9%	0.0%	37.1%	0.0%	0.0%	52.5%
Subcontracting %	0.7%	0.9%	1.6%	0.3%	0.0%	0.3%	3.9%	0.0%	6.1%
Total %	11.9%	1.2%	13.1%	4.1%	0.0%	37.4%	3.9%	0.0%	58.6%
Net Procurement**	\$ 102,262,219								

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLG8TPDBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

Diverse Subcontracting 5-Year Program Results

Program Year	Number of Primes	Number of Subcontractors	Diverse Subcontracting Spend	\$ Increase	% Increase
2022	7	18	\$ 6,212,057	\$ 4,181,472	67.3%
2021	7	16	\$ 2,030,585	\$ 16,550	0.8%
2020	4	8	\$ 2,014,035	\$ 765,641	38.0%
2019	4	7	\$ 1,248,394	\$ 967,826	77.5%
2018	1	1	\$ 280,568	-	-



Paul Turner, Macher Logistics

Macher Logistics

In 2022, Southwest Gas began partnering with transportation service provider Macher Logistics (Macher). Macher is a full-service logistics management company who holds certifications through the National Gay & Lesbian Chamber of Commerce and the Supplier Clearinghouse. Macher has previously served as a Tier 2 supplier for Southwest Gas under prime supplier Agile Sourcing Partners. Now as a Tier 1 supplier, Macher will coordinate inbound and inter-company freight requirements for the entire organization. Macher offers many years of logistical experience, easy-to-use software to initiate and track freight transactions, and consolidated summary billing. Southwest Gas is excited and optimistic to collaborate with Macher as it will streamline our processes from end-to-end.

9.1.6 DIVERSE SUPPLIER COMPLAINTS

Southwest Gas did not receive any formal supplier diversity-related complaints during 2022.

9.1.7 RECRUITMENT EFFORTS IN LOW UTILIZATION AREAS

Financial Services***Investment Banking***

Southwest Gas continues to cultivate and strengthen relationships with diverse investment banks. Since 2012, Southwest Gas has had nine public debt issuances. In all nine issuances, including the latest on December 1, 2022, Southwest Gas appointed diverse investment banks as co-managers as reflected in the table below.

Issue Date	Maturity Date	Gross Principal Offered	Allocated to WMDVPDBEs	
			Principal	Percent
3/23/2012	4/1/2022	\$ 250,000,000	\$ 44,000,000	17.6%
10/4/2013	10/1/2043	\$ 250,000,000	\$ 44,000,000	17.6%
9/29/2016	9/29/2046	\$ 300,000,000	\$ 60,000,000	20.0%
3/15/2018	4/1/2028	\$ 300,000,000	\$ 60,000,000	20.0%
5/31/2019	6/1/2049	\$ 300,000,000	\$ 60,000,000	20.0%
6/4/2020	6/15/2030	\$ 450,000,000	\$ 110,000,000	24.4%
8/20/2021	8/15/2051	\$ 300,000,000	\$ 48,000,000	16.0%
3/22/2022	3/15/2032	\$ 600,000,000	\$ 132,000,000	22.0%
12/1/2022	12/1/2027	\$ 300,000,000	\$ 60,000,000	20.0%
		\$ 3,050,000,000	\$ 618,000,000	20.3%

Asset Management

In 2022, Southwest Gas continued its more than 20-year relationship with a diverse asset manager for the Company's 401k plan.

Leasing Services

Southwest Gas has and continues to seek new diverse businesses for lease financing opportunities.

Legal Services

Southwest Gas is committed to diversity and inclusion in all aspects of its business, including the procurement of legal services. Southwest Gas believes that a robust supplier diversity program contributes to the Company's growth, competitiveness, and ability to provide enhanced services to our customers. In 2022, Southwest Gas spent over \$25,000 with a diverse firm for environmental legal services. In addition, Southwest Gas provides opportunities for diverse attorneys in non-diverse law firms. A number of women and minority attorneys who are members/partners of majority-owned law firms serve as lead counsel representing Southwest Gas in a wide range of legal matters. Further, the Southwest Gas Legal Affairs Department, through pro bono work, partners with organizations that advocate on behalf of underserved minority communities and other vulnerable groups. Southwest Gas remains committed to the advancement of diversity and inclusion in the procurement of legal services and throughout the organization.

9.1.8 DOCUMENT RETENTION

Pursuant to GO 156, Southwest Gas retains all data in preparing its annual report for a minimum of three years.

9.1.8 RENEWABLE AND NON-RENEWABLE ENERGY

Southwest Gas' fuel procurement is reflected in the Company's 2022 Annual Fuel Procurement Report.

RENEWABLE ENERGY PROJECTS

Southwest Gas is playing a vital role in the transition to renewable energy and is committed to offering energy solutions to our customers throughout our service territory.

Renewable Natural Gas (RNG) – In Victorville, California, Southwest Gas partnered with the Victor Valley Wastewater Reclamation Authority (VWVRA) on a biomethane project. The facility was commissioned in early 2022 and introduced RNG to Southwest Gas' system.

Hydrogen – In September, Southwest Gas (along with two other California utilities), submitted a joint application to the Commission to seek approval for a hydrogen blending project in Truckee, California. If approved, the project will provide another opportunity to make a positive impact in our community.



The facility at the VWVRA in Victorville, CA will convert raw biogas into pipeline-quality renewable natural gas.

2023 ANNUAL PLAN

10.1.1 GOALS

Southwest Gas’ commitment to meet or exceed the goals of GO 156 remains strong. We continue to deepen our roots with partners who share the same determination and grow new relationships in the diversity arena. Southwest Gas’ short, mid, and long-term product and service category goals are consistent with GO 156, as reflected in the table below. For 2022, Southwest Gas’ goals reflect recent changes to GO 156, and an internal aspirational 0.50 percent goal for procurement with Persons with Disabilities business enterprises.

Products

Short-Term 2023					Mid-Term 2025					Long-Term 2027				
Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)
15.00%	5.00%	1.00%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	1.00%

Services

Short-Term 2023					Mid-Term 2025					Long-Term 2027				
Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)
15.00%	5.00%	1.00%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	0.50%	15.00%	5.00%	1.50%	1.50%	1.00%

Overall WMDVLGBTDBE Procurement Goal

46.00%

10.1.2 DESCRIPTION OF PLANNED PROGRAM ACTIVITIES

Internal Outreach Activities

At Southwest Gas, the bedrock of our Program is our internal stakeholders who throughout the year, work to cultivate relationships with diverse suppliers. In 2023, we will strengthen this foundation and grow opportunities for diverse businesses. Our efforts will focus on the following activities:

- Enhance Program awareness by leveraging internal resources and recognized communications channels;
- Research supplier diversity best practices to identify ways to enrich Program strategy and increase sustainability;
- Seek out methods to improve Program tracking and enhance data analysis;
- Increase Tier 2 subcontracting spend by collaborating with internal stakeholders;
- Continue to educate and engage business units on Program goals with added emphasis on under-utilized and underspent categories;
- Encourage participation and engagement with diverse suppliers at conferences, outreach events and workshops;
- Work to incorporate changes to GO 156 into Program policy and strategy; and
- Promptly address issues impacting diverse suppliers.

External Outreach Activities

- Southwest Gas aims to strengthen our partnerships with organizations that develop and support the diverse business community;
- Southwest Gas remains focused on achieving spend in all spend categories and will work towards that goal through targeted outreach efforts;
- Southwest Gas is committed to providing opportunities and will continue to make connections with internal stakeholders and create positive experiences for diverse suppliers; and
- Southwest Gas will continue its outreach efforts (in-person or virtual) to promote the Supplier Diversity Program and support events that provide opportunities to connect with diverse suppliers.

10.1.2 PLANNED INTERNAL AND EXTERNAL PROGRAM ACTIVITIES

California Outreach Organizations	
African American Chamber of Commerce	Los Angeles Gay & Lesbian Chamber of Commerce
American Indian Chamber of Commerce	National Utilities Diversity Council
CalAsian Chamber of Commerce	Southern California Black Chamber
California Hispanic Chamber of Commerce	Southern California Minority Supplier Development Council
High Desert Community Foundation DVL	Veterans In Business
High Desert Hispanic Chamber	Western Regional Minority Supplier Development Council
Long Beach Gay & Lesbian Chamber of Commerce	Women’s Business Enterprise Council

10.1.3 PLANS FOR RECRUITING DIVERSE SUPPLIERS IN LOW-UTILIZATION AREAS

Southwest Gas remains focused on increasing opportunities for diverse businesses in areas with lower utilization. Program staff evaluates procurement activity to identify areas for growth and opportunity. In 2023, Program staff will collaborate with internal stakeholders to target categories with low utilization. Program staff will focus on the following activities:

- Collaborate with other utility partners to share information and increase the pool of qualified diverse suppliers;
- Support business organizations that develop diverse suppliers in underspent categories; and
- Bolster outreach efforts with added emphasis on minority female, LGBT, and persons with disabilities business enterprises.

10.1.4 PLANS FOR RECRUITING DIVERSE SUPPLIERS WHERE UNAVAILABLE

Pursuant to D.03-11-024, Southwest Gas does not include exclusions in its procurement reporting.

10.1.5 PLANS FOR ENCOURAGING PRIME CONTRACTORS TO ENGAGE IN DIVERSE SUBCONTRACTORS

In 2023, sourcing and expanding opportunities for diverse subcontractors is an area of focus for Southwest Gas. Program Staff will continue to educate our prime contractors and internal business units on Program goals and identify ways to develop a more inclusive process. Program strategies include the following:

- Develop and strengthen partnerships with prime contractors;
- Provide Program assistance and awareness to prime contractors;
- Assist prime suppliers in identifying diverse subcontractors;
- Provide certification assistance where needed;
- Increase efforts to collect and track Tier 2 subcontracting spend data; and
- Provide opportunities for prime contractors to connect with diverse subcontractors.

10.1.6 GENERAL ORDER 156 COMPLIANCE

Southwest Gas is firm in its commitment to promoting the continued growth of diverse suppliers and adhering to the guidelines established in GO 156. Southwest Gas further intends to integrate revisions to GO 156 in its business practices and continue to deliver positive outcomes for diverse businesses.

2022 ANNUAL FUEL PROCUREMENT REPORT AND 2023 PLAN

2022 ANNUAL FUEL PROCUREMENT REPORT AND 2023 PLAN

In 2022, Southwest Gas spent a total of \$5,573,861 on purchases from a Clearinghouse-Verified diverse supplier to support its operations in California (*see Fuel Purchases Chart*). Southwest Gas also spent an additional \$13,017,982 on purchases from a Clearinghouse-Verified diverse supplier to support its operations in Nevada and Arizona. Southwest Gas remains focused and committed to include diverse businesses in its gas supply solicitations.

Current Market Conditions – The Company’s Gas Supply Department secures natural gas supplies to serve Southwest Gas’ sales customers in California, Nevada, and Arizona. Southwest Gas meets these requirements through a combination of firm contract purchases, monthly spot market purchases, and daily spot market purchases. Southwest Gas purchases gas supplies in the most economic manner from a wide variety of sources and ever-changing number of potential suppliers. Southwest Gas acquires the necessary gas supplies on a competitive price basis, also taking into consideration the reliability and assured performance of potential gas suppliers, as well as the reliability of the actual sources of supply. Diverse suppliers have an opportunity to compete directly with Southwest Gas’ other natural gas suppliers. Southwest Gas has a longstanding commitment to doing business with diverse suppliers and will provide opportunities when possible and economic.

Southwest Gas actively solicits both firm and spot market gas supply offers from diverse suppliers. Whether daily, monthly, or long term, Southwest Gas encourages diverse suppliers to participate when it seeks offers for natural gas supplies. Southwest Gas may receive responses to its solicitation programs from various diverse suppliers, some of whom become successful in the competitive process. In 2022, in support of Southwest Gas’ California operations, diverse suppliers provided successful offers in response to the Company’s gas supply solicitations providing supplies during two different months. In support of Southwest Gas’ operations in Nevada and Arizona, diverse suppliers provided successful offers in response to the Company’s gas supply solicitations in three other months.

Outreach Efforts – Southwest Gas reviews proposals from prospective diverse gas suppliers and provides those potential suppliers with information and the opportunity to participate in all bidding programs. Additionally, the Company’s Gas Supply Department fields calls directly from prospective suppliers, accepts referrals from industry contacts, and pursues contacts provided by Supplier Diversity Program staff.

Recruiting Diverse Suppliers in Low-Utilization Areas – In 2023, Southwest Gas will continue its efforts to increase procurement in areas of low utilization.

Supplier Diversity Program Fuel Procurement Annual Plan for 2023 – In 2023, the Company’s Gas Supply department will endeavor to find and develop new diverse suppliers and encourage existing diverse suppliers to participate in Southwest Gas’ various natural gas supply solicitation opportunities. Gas Supply employees will also meet with prospective diverse suppliers to discuss natural gas supply requirements, existing supply arrangements, and settlements for gas purchased. Southwest Gas will continue to engage and welcome Clearinghouse-Verified diverse natural gas suppliers that offer cost-competitive natural gas supplies to the Company.

9.1.11 SUPPLIER DIVERSITY RESULTS IN FUEL PROCUREMENT

		Natural Gas \$		LPG \$ ¹		Totals \$ ²			% ³
		SHORT TERM	LONG TERM	SHORT TERM	LONG TERM	Total Natural Gas	Total LPG	Total \$	
Minority Male	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Asian Pacific American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Total Minority Male	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Minority Female	African American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Asian Pacific American	\$865,022	\$4,708,839	\$0	\$0	\$5,573,861	\$0	\$5,573,861	5.0%
	Hispanic American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Native American	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
	Total Minority Female	\$865,022	\$4,708,839	\$0	\$0	\$5,573,861	\$0	\$5,573,861	5.0%
Total Minority Business Enterprise (MBE)		\$865,022	\$4,708,839	\$0	\$0	\$5,573,861	\$0	\$5,573,861	5.0%
Women Business Enterprise (WBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Disabled Veteran Business Enterprise (DVBE)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Disabled Business Enterprise		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Other 8(a)⁴		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
TOTAL WMDVLTGPDBE		\$865,022	\$4,708,839	\$0	\$0	\$5,573,861	\$0	\$5,573,861	5.0%
Net Fuel Procurement		\$112,400,867							
Net Natural Gas Procurement		\$112,400,867							
Net LPG Procurement		\$0							

NOTE:

Short Term: The term of the deal is no longer than one calendar month.

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

¹ LPG - Liquefied Petroleum Gas

² Excludes purchases from the CAISO, other utilities, federal entities, state entities, municipalities and cooperatives.

³ % - Percentage of Net Fuel Procurement

⁴ 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business

Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).