



Diverse Business Enterprises

Building on a Solid Foundation

2011 ANNUAL REPORT AND 2012 ANNUAL PLAN
 MARCH 1, 2012

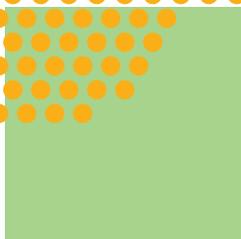
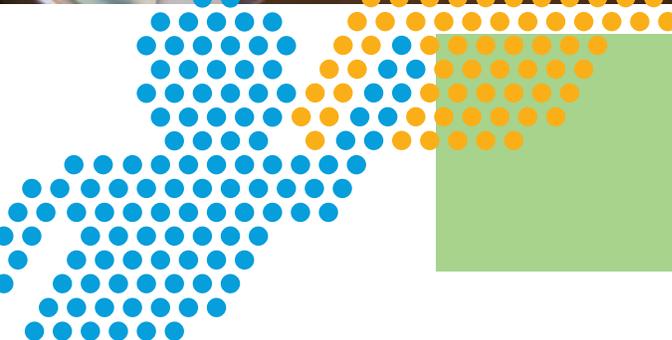
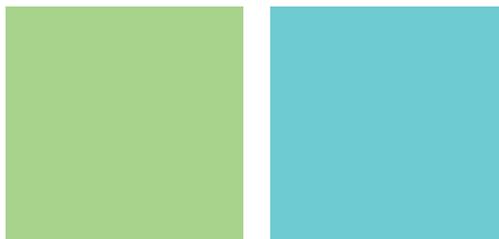


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Building record results on a solid foundation of success

For the past six years, San Diego Gas & Electric® (SDG&E®) has surpassed the goals set by the California Public Utilities Commission (CPUC) for spending with Diverse Business Enterprises (DBEs). We are proud to report that we improved upon our results and achieved the highest DBE spending in SDG&E's history. In 2011, 38.1 percent of company purchases, representing more than \$546 million, were spent with diverse businesses.

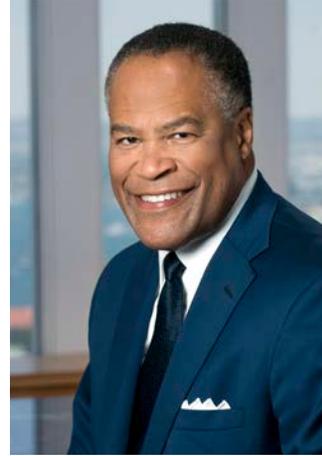
SDG&E sees the value of DBE spending going "beyond the numbers." Our company is connected to the communities in which we live and work and recognizes the value of diversity in a broader sense. We not only source DBEs for business opportunities, but also promote diversity within SDG&E and throughout the community through many channels, including events, volunteerism and charitable giving.

One example of our commitment to being connected to DBEs beyond what is expected is our success in utilizing and helping grow Service-Disabled Veteran-Owned Businesses (SDVBES). San Diego is steeped in military tradition and the large presence of military in San Diego certainly lends itself to SDVBE participation, but it remains a challenging area. Our unparalleled efforts more than doubled the goal set by the CPUC, resulting in 3.5 percent of our spending going to SDVBES.

Our 2011 results are especially significant because our company's base spending went up sharply due to capital projects such as the Sunrise Powerlink. Notably, DBE spending also followed suit, increasing by a remarkable \$161 million in 2011 over 2010. This increase is attributable to the intrinsic value and high quality of products and services that DBEs provide.

A few of the highlights from 2011 include bolstering our DBE spending in core business areas to more than \$246 million, and doubling our spending with Women-Minority-Owned Businesses after implementing targeted outreach efforts. We also ensured that DBE spending was in the forefront of the largest capital project in our company's history, the Sunrise Powerlink, and achieved a precedent-setting 41.8 percent DBE spending on the project in 2011. Detailed in this report are many more noteworthy accomplishments, including advances in challenging areas like finance, gas procurement and advertising, and profiles of DBEs we work with that are all remarkable in unique ways.

As we look forward to 2012 and beyond, the energy industry will continue to undergo sweeping technological advances in renewable generation, smart grid systems and electric vehicles as we create a more sustainable energy future. Doing business with DBEs will continue to be a priority and will help SDG&E remain connected to our customers, communities and stakeholders. With the steadfast commitment of our Supplier Diversity Team and every member of our organization, I am confident we will continue to maintain our leadership position in DBE spending as we usher in the new era in the energy industry.



A handwritten signature in black ink that reads "Jessie". The signature is fluid and cursive, with a large loop at the end.

Jessie J. Knight, Jr.
Chairman & CEO
SDG&E

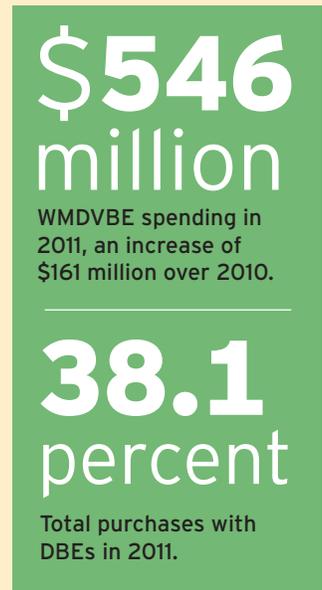


BUILDING ON A SOLID FOUNDATION: Commitment to core business combined with innovation yields record results

San Diego Gas & Electric (SDG&E) launched a new corporate vision in 2011 pledging to be more closely connected with customers and the community, while pursuing a sustainable energy future. We have long seen the value of being closely connected to diverse suppliers and in 2011 continued to build on the company's strong base of Diverse Business Enterprise (DBE) suppliers while creating innovative programs and instituting new strategies in an effort to continually evolve and improve.

The results were record-breaking, with more than \$546 million worth of products and services purchased with DBEs in 2011, which corresponds to 38.1 percent of total purchases. This represents an increase of \$161 million compared to \$385 million of DBE spend in 2010.

The strategy for supplier diversity at SDG&E is to increase the strong DBE presence within our core business areas: electric and gas operations and related construction and support operations. In addition, we will continue to leverage our robust DBE supplier base to meet the needs of new capital projects, such as Smart Grid, in the new technologies area. These capital projects provide us with exciting opportunities to build new relationships and capabilities with DBEs.



DIVERSE BUSINESS ENTERPRISES
2007 to 2011 (\$Millions and %)



Surpassing the 21.5 percent goal set by the California Public Utilities Commission (CPUC) despite another increase in base spending dollars is a true testament to the rock-solid commitment of every department at SDG&E and to the depth of our DBE strategy.

Key spending areas contributing to SDG&E's supplier diversity success in 2011 include:

Core Business Growth - More than \$246 million, representing 33.5 percent of diverse business spending in core business areas, an increase of more than \$22 million over 2010 spending.

Sunrise Powerlink DBE Commitment - Total DBE spending on the Sunrise Powerlink project was \$248 million, or more than 41.8 percent.

Smart Meters - In the last major year of smart meter rollout, 60 percent of the project, or more than \$46 million, went to DBEs.

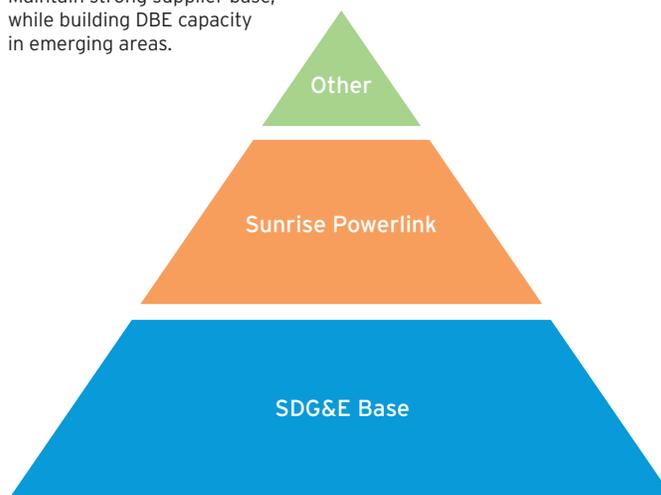
Subcontracting - The total subcontracting for both core business areas and capital projects was almost \$243 million, or 17 percent.

Natural Gas Procurement - SDG&E continued to show strong leadership in growing and utilizing DBE natural gas suppliers by purchasing \$65.5 million, or more than 34 percent of natural gas supply from DBEs in 2011.

Due to advances in the energy industry and changing customer needs, new capital projects and special initiatives are continually emerging. These projects and initiatives present additional opportunities for us to develop new suppliers in both our core and capital project spend areas to align with SDG&E's strategic goals.

DBE BUSINESS STRATEGY

Maintain strong supplier base, while building DBE capacity in emerging areas.



SDG&E was successful in exceeding the DBE spending goals set by the CPUC in every DBE category in 2011. Here are highlights of the achievements in each category, including the DBE dollars spent and the corresponding percentage:

Minority Business Enterprise (MBE) spending was almost \$323 million or 22.5 percent.

Women-Owned Business (WBE) spending was \$173 million or 12.1 percent.

Minority Women-Owned Business spending was more than \$90 million or 6.3 percent, almost doubling our spending with minority women-owned firms in 2010.



Service-Disabled Veteran Business

(SDVBE) spending was over \$50 million, accounting for 3.5 percent of total SDG&E spending. This is almost \$19 million more than SDVBE spending in 2010 and is more than double the CPUC goal of 1.5 percent.

One of the highlights of 2011 was the Supplier Diversity Team's progress in underutilized DBE areas such as financial and legal spending. The team aggressively pursued the identification and development of legal and financial DBE firms and the results were extremely positive. For example:

Legal spending with WMDVBEs was more than \$2.5 million, a nearly 32 percent increase over 2010. We continue to strive for better results in legal spending and one of the stars, helping us lead the charge with more than a hundred-fold increase in business in 2011, is featured on page 29.

Financial spending with WMDVBEs was more than \$2.2 million, an increase of 17 percent over 2010. Notably, SDG&E became the first utility to use a minority-owned investment bank as a co-lead in a \$250 million debt issuance. We also used DBEs to act as co-managers and co-leads in deals including \$350 million in bond offerings, which was the lowest coupon ever issued for a 10-year utility bond at that time.

SCORE Success:

TEC Constructors

"TEC Constructors is extremely grateful to have been given the opportunity to work with such a large, prestigious company like SDG&E and the SCORE program was directly responsible for providing that opportunity," said Tim Coffey, President and CEO, TEC Constructors. "Not only did SCORE have an impact on our annual revenue, but it increased our client base by providing the opportunity to work with SDG&E's affiliated utility SoCalGas as well. Overall, the program has brought great success and work to TEC for years to come. Thank you!"



Tim Coffey, President and CEO,
TEC Constructors



The Supplier Diversity Team also put a lot of energy into expanding the program to seek out new DBE suppliers, both in core business areas and in emerging areas like smart grid deployment. While the following examples don't represent the highest dollar amounts for 2011 DBE spending, they are nevertheless notable accomplishments and activities.

New SCORE Program - We launched the SCORE program (**S**mall **C**ontractor **O**ppportunity **R**ealization **E**ffort) to increase inclusion among underutilized small and diverse suppliers in our core business construction areas. Two contracts were awarded for \$400,000 in 2011, laying the groundwork for more progress in 2012 and beyond.

Investing in the Smart Grid - SDG&E takes the responsibility to include DBE suppliers in this new sector seriously, and has committed to an aspirational goal of 15 percent in smart grid procurement by the time deployment is completed.

In 2011, SDG&E co-sponsored a smart grid matchmaking event with General Electric titled "How to do Business with GE & SDG&E," which helped generate new business for DBEs in this sector. SDG&E's director of smart grid spoke at this event and encouraged DBE suppliers to look to new technologies as a means to grow their businesses and ensure their participation in this emerging sector.

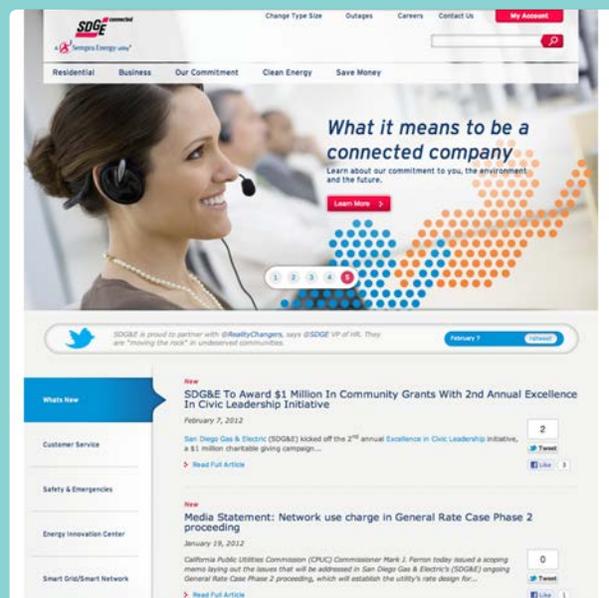
Ethnic Media and Advertising - In early 2011, SDG&E took a closer look at the way we were allocating media dollars and the agencies used to plan media and advertising campaigns. As a result, we realized we needed to increase our advertising in the important area of ethnic media. We worked with our prime media agency to bring in a DBE advertising agency specializing in multicultural outreach. The prime agency also employs a DBE subcontractor to buy the media and because of this, DBE spending in advertising tripled in 2011. This is an area we are planning to grow even more in 2012.

Profiles in Success: Sensis Agency

"We've steadily seen an increase in business from SDG&E and in 2011 expanded from digital advertising to Web services, with the development and launching of SDG&E's new website. SDG&E is one of the biggest reasons for our company's growth."

"Hemos visto un incremento continuo en el negocio que nos brinda SDG&E y en el 2011 añadimos servicios Web a nuestros servicios de publicidad digital con el desarrollo y lanzamiento del nuevo sitio Web de SDG&E. SDG&E es una de las mayores razones por el crecimiento de nuestra empresa."

– José Villa, President of Sensis





Looking forward to 2012

We are proud of our 2011 achievements, but we're never complacent. There's always room for improvement. Late last year, we announced increased goals for supplier diversity procurement by committing 32 percent DBE spending through 2015 in a leadership agreement with the Greenlining Institute. Similarly, we raised our aspirational goal to 35 percent by the end of 4 years.

In 2012, a new supplier diversity departmental organization will allow us to build on our DBE spending in core businesses areas, as well as aggressively pursue new, emerging business opportunities for DBEs. The supplier diversity strategy at SDG&E is designed to prepare for the changing nature of the energy industry by aligning with the company's key strategic initiatives in the emerging technology fields, while instituting a plan for "Diversifying our Diversity" in 2012. This refers to diversifying both the types of DBE suppliers as well as the categories of projects. For example, an increased emphasis on smart grid efforts will begin in earnest in 2012, which will

"SDG&E has made it clear that diversity, when done right, positively impacts the bottom line of corporations."

– Orson Aguilar, Executive Director
of The Greenlining Institute

in time become one of our core business areas. DBE suppliers new to the smart grid sector will be positioned to become part of our core business spending for years to come.

An area of particular focus in 2012 will be to develop and implement strategies for DBE inclusion in electric procurement (*further details can be found in the Power Procurement section of this report*).

We will continue to connect with DBE suppliers in traditional areas of focus, as well as seek out DBEs in emerging sectors to ensure alignment with strategic company goals and ultimately set the bar higher for supplier diversity. This is the essence of our ongoing commitment to remain connected with the diverse supplier community and continually improve upon our results.



2011 DBE ANNUAL REPORT



9.1.1 DESCRIPTION OF WMDVBE PROGRAM

INTERNAL ACTIVITIES

Executive Support

All executives, directors and managers value DBE initiatives as an important part of company strategy. These decision-makers actively participate in internal and external supplier diversity activities, as well as hold themselves and their staff accountable for achieving goals. With DBE spending goals and results tied to every executive and management employee's incentive compensation, there's a vested interest in the success of our supplier diversity program. Some of our breakthrough goals in financial and legal areas have been a direct result of executive support.

New Departmental Organization

In 2011, new Supplier Diversity department leadership and the addition of new team members brought fresh perspectives to DBE strategies. To create a strong foundation, new team members attended training at the National Minority Supplier Development Council Annual Conference to learn best practices, and connect with other companies and DBE suppliers.

Early in 2012, our Supplier Diversity department was also re-organized and placed within the Supply Management organization to streamline communication and processes. Because supplier diversity is routinely considered a standard part of our supply-chain decision-making, the re-organization made sense to ensure that supplier diversity is anchored into the everyday procurement decision-making process.

Services Offered

Our approach to supplier diversity is directly connected to SDG&E's strategic initiatives. This approach has built a strong foundation of DBE suppliers we can continue to build upon and expand by bringing in new suppliers in new strategic markets as our company evolves.

To make sure our supplier diversity efforts stay connected with the leadership of our company, we develop annual business plans with each Vice President to identify DBE opportunities and key strategic initiatives at the beginning of each year.

The Supplier Diversity Team is considered an integral participant in the procurement process. We are actively involved in the company's strategic sourcing initiatives and the bid evaluation process. We identify qualified DBE suppliers and introduce and promote them to key decision-makers in both operational and procurement departments.

We have a strong partnership with our procurement team and contracting agents. They participate alongside our team at DBE networking events to build direct relationships with potential DBE suppliers. And we collaborate with them to include DBEs on competitive bids, as well as including diversity as part of our evaluation criteria in RFPs.

On an ongoing basis, we meet with contract agents to provide training, information and tools to help them monitor the DBE spend in each of their assigned portfolios. Jointly, we meet with prime contractors to develop subcontracting plans, which are monitored on an ongoing basis. Through close collaboration with contract agents, prime contractors and DBE suppliers, we are immediately aware of any performance gaps and take steps to address issues as a team.

Profiles in Success:

Supplier Diversity Team “Walking the Walk”

The Supplier Diversity Team leads by example when utilizing diverse suppliers. In fact, this very annual report you are reading right now, is brought to you by a team of diverse suppliers.



“The Supplier Diversity Team always thinks of us when there are any printing projects or any events that they feel would benefit our business to attend,” says Rebecca Aguilera-Gardiner of Diego & Son

Printing. “SDG&E really helped us get through tough economic times a few years ago. They not only helped us get new business, but they also helped us go through the process to obtain a Green Certified Network designation, which is helpful in marketing our business. The Supplier Diversity Team members are great business partners and we are thankful for having them as our cheerleaders.”



“I’ve worked for SDG&E for more than a decade, but my business really started to expand with the company after the Supplier Diversity Team encouraged me to get my certification as a registered WBE through the Supplier

Clearinghouse,” explains Cathleen Romero of CKR Communications. “Due to the efforts of the DBE team expressly, my business has grown from writing award programs and internal articles, to executive speechwriting and in-depth projects like this annual report. Beyond DBE projects, I’ve been very fortunate to work on some of the new company initiatives and high-profile projects, and I deeply appreciate that the Supplier Diversity Group is always ready to champion my work.”

Employee Awareness

The Supplier Diversity Team makes it their mission to inform and educate company employees about the purpose and goals of the Diverse Business Enterprise program. To increase program awareness, the Supplier Diversity Team utilizes several internal communication opportunities and tools.

Employee Communications

Feature articles on the highlights and successes of the Supplier Diversity program were published in Sempra Energy’s internal publication, “Sempra News.” Employees also have access to this information through an intranet site and messages broadcast on company “digiboards” (electronic screens in high employee-traffic locations). Members of our Supplier Diversity Team provide additional outreach by attending staff meetings to discuss supplier diversity efforts, introducing new DBE companies, providing progress reports and keeping program goals in front of all employees.

Employee Diversity Council (EDC)

The Employee Diversity Council is made up of a diverse group of employees from throughout the company, including members from the Supplier Diversity Team, who are passionate about the importance of recognizing and promoting diversity in the workplace. The EDC puts on forums and events, as well as hosts open houses on everything from trans-gender issues, to generational diversity, to spending part of the day in a wheel chair, so as to elevate our sensitivity and understand the world from a physically disabled person’s perspective.

Diversity Champions Annual Awards

On an annual basis, the Supplier Diversity Team partners with the Human Resource Diversity department to organize a high-profile awards ceremony to recognize employees for their efforts in promoting diversity in our suppliers and our workforce. In 2011, 45 employees were recognized with the highly coveted awards.



We also presented an award to a DBE that “understands our supplier diversity philosophy and exceeds our high expectations.” This award-winner started out as a subcontractor for SDG&E, and now is a prime contractor. Congratulations to Ron Garcia of Reliable Energy on receiving this award.

In a strong showing of leadership support, Sempra Energy executives including Sempra Energy CEO Debbie Reed and SDG&E Chairman & CEO Jessie Knight, among others, were on hand to present the awards. The CPUC President, Michael Peevey, was the keynote speaker and the Honorable Gwen Moore, former state

legislator and author of General Order 156, was also in attendance.

Technology and Tools

The Supplier Diversity Team continues to enhance the tools we use to track and communicate our DBE spending. On a monthly basis, each of our advisors use tools to generate reports tracking DBE utilization and trends. They present the results to portfolio managers, directors and vice presidents. Supplier diversity advisors also meet with portfolio managers and attend their staff meetings to discuss upcoming opportunities.

Subcontracting Portal

In 2011, we upgraded the online subcontracting reporting tool with increased functionality providing improved visibility and enhanced reporting for our Supplier Diversity Team, contracting agents, internal clients, and prime suppliers.

MyDBE

This year marks the development completion of MyDBE, an easy-to-use, graphical dashboard tool, which provides interactive spend information by department, portfolio, prime supplier, DBE, and includes specific breakdowns according to the GO 156 tracked categories. This project was a collaboration of multiple departments, including information technology, procurement, external experts and our own Supplier Diversity Team. The MyDBE site is scheduled to be launched in the first quarter of 2012.



Celebrating SDG&E's Diversity Champions: Executive support at SDG&E's annual employee awards event was phenomenal. Joining keynote speaker, CPUC President Michael Peevey, (seated from L to R) are: Sempra Energy CEO Debra Reed, SoCalGas President & CEO Michael Allman, the Honorable Gwen Moore, former state legislator and author of General Order 156, SoCalGas COO Anne Smith, (standing from L to R) SDG&E Chairman & CEO Jessie J. Knight, Jr., Sempra Energy SVP Human Resources, Diversity & Inclusion Joyce Rowland, Sempra Energy EVP & General Counsel Javade Chaudhri, SDG&E SVP Finance, Regulatory & Legislative Affairs Lee Schavrien and, SDG&E CIO and SVP Support Services Chris Baker.

EXTERNAL ACTIVITIES

External Outreach

As part of our supplier development, we support a wide range of organizations that contribute to the professional and economic development of DBE suppliers. Supplier Diversity staff regularly attend events, workshops, trade fairs and award ceremonies to network with potential suppliers and participate on corporate advisory boards and committees. We also participate in regional and national trade fairs and conferences, and CPUC events throughout the year.

Our Supplier Diversity Team has invested time in networking, relationship building and serving as board members with DBE organizations like the Women's Business Enterprise Council (WBEC) and the San Diego Regional Minority Development Council to build our database of potential DBE suppliers. This involvement has directly resulted in WBE and MBE suppliers being hired by our company.

Another example of an external organization we are involved in is the Elite Service-Disabled Veteran-Owned Business Network (Elite SDVOB), a national organization born in San Diego, whose mission it is to develop and foster growth of businesses owned and operated by our Service men and women who gave of themselves in defending our country. We participate in training, conduct workshops and attend meetings at the local and national level to create and sustain relationships with SDVBEs, which has resulted in our dramatic increase in SDVBE spending. Our internal project managers respect the high quality of work our SDVBEs deliver. As new project work arises, the decision-makers are now asking for SDVBEs, not because they are DBEs, but because they do great work.



Leaders Lead Leaders: SDG&E's Supplier Diversity Program Manager Victor Baker leads a workshop during San Diego's Supplier Diversity Week hosted by San Diego Regional Minority Development Council.

A complete list of the organizations we work with and events attended in 2011 is listed in Appendix A.

Supplier Development and Technical Assistance

To help suppliers expand their opportunities to work with us and other companies, we provide them with access to various educational technical assistance programs through our community based organizations (CBO) and local university partnerships with SDSU, USC and UCLA. We also provided two scholarships to DBEs to attend the Kellogg School of Management. These programs help DBEs gain the necessary tools and skills to successfully compete for contracts, build their businesses, and deliver quality results. Suppliers often credit their subsequent growth and success to these comprehensive programs.

The total spent on Technical Assistance programs provided by Sempra Energy utilities (SoCalGas and SDG&E) was \$351,400 in 2011, including funding to university and CBO programs.



Here are quotes from program participants that attended the SDSU Strategic Growth Planning for Entrepreneurs Program, sponsored by SDG&E. The program is designed to assist DBEs to grow through strategic planning sessions and hands-on business improvement projects.

“Thank you to SDG&E and the excellent entrepreneurial and business leaders from SDSU’s Entrepreneurial Management Center for delivering a first class certificate program! I gained valuable insights from the other small business owners that will surely help me with my future business dealings. I look forward to staying in touch with each of you and connecting on a SDG&E Small Business LinkedIn Group.”

“I definitely will recommend this program to other diversified businesses. Hats off to SDG&E and the SDSU Entrepreneurial Management Center.”

Expanding Technical Assistance in 2012

In 2011, SDG&E issued a Request For Information to organizations interested in developing unique technical assistance programs on SDG&E’s behalf, and will issue the Request For Proposal in 2012.

Supplier Mentoring and Capacity Building

We continue to identify high-potential DBE suppliers for mentoring and capacity building. These suppliers have potential to fit an emerging need and show capabilities that are far beyond their market niche. With our mentoring program, we help them develop the necessary tools and skills to grow and increase their capacity, thus enabling them to take on larger contracts. We have numerous suppliers who started working on small contracts, that now have contracts with SDG&E worth several million dollars annually.

After we identify a DBE that matches our needs, the Supplier Diversity Team works closely with the business to educate them on our company and our expectations. Our team assists the DBE in making the right contacts by introducing them to several decision-makers in our company, as well as those in other utilities and Fortune 500 companies.

A lot of effort and financial support is devoted into creating new mentoring opportunities as well as investing in tried-and-true partnerships. Our prime contractors also help to provide mentoring in areas that need technical skills and certifications. One Hispanic contractor is mentoring an African American small business on gas pipeline safety methodologies so they can gain their certification in this area.

Three years ago SDG&E joined the Southern California Minority Business Development Council’s (SCMBDC) formal capacity building initiative. The focus was to increase MBE capacity through providing unique

DBE Mentoring Success:

Southeast C&I Electric

“Our SDG&E DBE mentor went above and beyond the call of duty to provide opportunities that have assisted in creating our blueprint for growth. We plan to continue to grow and diversify in 2012 and hope to see growth of at least 30 percent. With the connections we have made, our revamped website, the marketing documents and the information we have been given through our mentorship, growth seems inevitable.”

– Virginia Parker, CFO of Southeast C&I Electric

resources and one-on-one coaching. As part of this program, we are mentoring an African American woman-owned company. We have also hired her company to deliver supplier development training for SDG&E in support of the SCORE initiative.

Mentoring is a key part of our ongoing supplier diversity strategy to help DBEs achieve long-term success.

NEW INITIATIVES

Launching the SCORE Program - We took a closer look at our 2010 DBE spend and listened to the concerns and suggestions of our diverse suppliers and determined there was an opportunity to increase inclusion among underutilized small and diverse suppliers. The result is our SCORE program - **S**mall **C**ontractor **O**pportunity **R**ealization **E**ffort.

We launched SCORE in mid-2011 after identifying several opportunities in core business areas such as electrical construction and operations. With these specific opportunities identified, we are working with small DBEs to address potential roadblocks, by enhancing outreach, partnership and mentoring efforts.

Internal SCORE teams identify potential projects and pre-qualify DBE supplier candidates. There have already been two contracts awarded through the SCORE program and several other future opportunities identified, which will be strategically sourced to SCORE participants. We are targeting \$3 million in procurement spending over the next few years for the SCORE program, which is our lead initiative in "Diversifying our Diversity."

As part of the SCORE initiative, a capacity-building seminar for more than 30 participants was conducted in 2011 by an African American woman-owned business

SCORE Success:

"Integrity Engineering is a small, minority-owned, emerging company. The opportunity to contract with SDG&E on this project installing gas meter barricades is an outstanding contribution towards the continuing growth of Integrity Engineering."

- Derek Anderson, Owner, Integrity Engineering

to help prepare SCORE participants for potential opportunities. The topics included conducting market research, preparing financial reports, obtaining financing, developing sales and marketing plans, and presenting capabilities.

This innovative program is expected to bring more minority small and micro-businesses into the supply chain and give them the support needed to grow and thrive. While this program was implemented in 2011, we won't see results immediately. These businesses will grow over time and this is a long-term commitment to help grow those "small" businesses under \$10 million in annual revenue.

SCORE Capacity Building Seminars

The feedback was encouraging. Examples of "reviews" from the participants include:

"I expected to get some tips in financial and project development aspects and the opportunity to work for SDG&E...what I achieved in the seminar exceeded my expectations."

"This class had three huge takeaways - funding sources - capability statement - and what is needed for financials."

Investing in the Smart Grid - Having been named the “Most Intelligent Utility” for a third year in a row by IDC Energy Insights and Intelligent Utility Magazine, we are committed to being a leader in developing suppliers for emerging technologies so they’re poised and ready for the utility industries’ transformation.

We will extend our highly successful supplier diversity practices to build a base of diverse suppliers for our smart grid initiatives. We take the responsibility to include DBE suppliers in this new sector seriously and have committed to an aspirational goal of 15 percent smart grid procurement from diverse businesses in our recent agreement with the Greenlining Institute by the time deployment is completed.

We were the first utility to file a smart grid deployment plan and in another first,

co-sponsored a matchmaking event with General Electric titled “How to do Business with GE & SDG&E,” which was attended by CPUC President Michael Peevey.

Supplier Recognition

As part of our ongoing mentoring efforts, the Supplier Diversity Team strives to gain local and national recognition for our exceptional DBE firms. In 2011, we played an active role in nominating three DBEs for “Supplier of the Year” for San Diego Regional Minority Supplier Development Council. One of the nominees, attorney Janice Brown, was named “Supplier of the Year - Class II” and went on to win the national award. You can read more about her success in the legal section of this report.

Helping to recognize DBEs at these events provides them with greater visibility and potential contracting opportunities with other companies.



Looking for “Smart” Suppliers (L to R): SDG&E’s DBE Advisor Bruce Mayberry, DBE Manager Lana Radchenko and DBE Program Manager Erica Leigh Beal, confer with GE’s Cornell Crayton, Compliance and Supplier Diversity Leader and Harriet Barton, GE’s Director of Supplier Diversity, during the smart grid matchmaking event.

2011 Awards



Celebrating Success: (L to R): SDG&E's DBE Advisor Bruce Mayberry, Sr. DBE Advisor Jaymee Lomax, Vice-President Human Resources, Diversity and Inclusion Scott Drury, DBE Program Manager Erica Leigh Beal, DBE Program Manager Victor Baker and DBE Manager of Supplier Diversity Lana Radchenko enjoy the fruits of their labor with two Supplier Diversity Achievement Week Awards.

For our work with DBEs, Sempra Energy and the Sempra Energy utilities (SDG&E and SoCalGas) received numerous awards and honors in 2011, including:

- ▶ Sempra Energy received a "100 percent" score on the Human Rights Campaign – Corporate Equality Index and named as one of the "Best Places to Work"
- ▶ Sempra Energy ranked No. 16 on Hispanic Business magazine's list of "Best Companies for Diversity"
- ▶ Sempra Energy named to the DiversityInc Top 5 Regional Utilities
- ▶ American Indian Chamber - Eagle Thank You Award
- ▶ Asian Business Association's (Los Angeles) - Corporate Appreciation
- ▶ Asian Business Association (San Diego) - Board Member of the Year
- ▶ California Black Chamber of Commerce's Diversity and Procurement Outreach Award
- ▶ Latin Business Association - Chairman's Historical Corporation of the Year
- ▶ New Connections Champion of Diversity Corporate Leader Award
- ▶ San Diego Regional Minority Supplier Development Council - Development Award
- ▶ Southern California Minority Business Development Council - Excellence in Supplier Diversity
- ▶ YWCA - Phenomenal Woman of the Year Award

9.1.2 SUMMARY OF WMDVBE PURCHASES/CONTRACTS

Of the \$546 million spent with WMDVBEs, \$303 million was spent directly with 287 WMDVBEs. The following table provides figures for program activities and accomplishments by minority-, women-, and service-disabled veteran-owned business enterprises, or WMDVBEs, for calendar year 2011.

	Year 2011				Year 2010			
	\$	%	# Suppliers		\$	%	# Suppliers	
Total Spend	\$1,432,736,971		Direct	Sub	\$1,044,721,500		Direct	Sub
Minority (MBE)	\$322,880,776	22.54%	137	107	\$273,673,870	26.20%	128	93
Women (WBE)	\$172,913,400	12.07%	126	105	\$79,949,354	7.65%	107	77
Service-Disabled Veteran (SDVBE)	\$50,483,285	3.52%	24	23	\$31,718,331	3.04%	25	22
Total WMDVBE	\$546,277,461	38.13%	287	235	\$385,341,556	36.88%	260	192

SDG&E 2011 VS. 2010
(Millions)



Summary of Key Initiatives Contributing to Results

Core Business Growth - As part of our ongoing strategy, we continued to focus our attention on increasing DBE spending in core SDG&E business activities which resulted in \$246 million in DBE spending in 2011. This is an increase of \$22 million over 2010 and was a result of increased growth with existing DBE contractors combined with bringing new suppliers on board.

As an example, direct spend with a DBE prime contractor increased more than 50 percent from 2010 to \$18 million in 2011. This contractor continues to increase their value by going above and beyond in

subcontracting and mentoring to other DBEs. Another example is an SDVBE who provided construction services for \$13 million, nearly doubling their business from 2010.

Sunrise Powerlink DBE Commitment - Early involvement by the Supplier Diversity department played a significant role in gaining a commitment for 30 percent DBE spend on the Sunrise Powerlink project, the largest capital project in SDG&E's history. Total DBE spending on Sunrise for 2011 was \$248 million, quadruple that of 2010, representing a remarkable 41.8 percent DBE spend.

From inception, we impressed upon our contractors the importance of meeting our DBE commitments and they delivered. Three of our top five suppliers for this project are DBEs. Subcontracting spend from all of our primes for this project exceeded \$186 million. Minority DBE work on Sunrise increased from \$31 million in 2010 to more than \$134 million in 2011, SDVBE work increased from \$5.5 million to \$24.6 million and women-owned business spending increased from \$8.7 million to \$89 million. One DBE had \$19 million in construction engineering.

Sunrise is on track for completion in 2012 and when the transmission line is energized, that won't be the end of the Sunrise DBE success story. We're confident the DBEs we have worked with on this project will continue to partner on other SDG&E projects and with other utilities in the future, especially since the work is directly related to our core business areas.

Smart Meter Rollout - The successful rollout of SDG&E's smart meters has been held up as a model program for utilities across the nation, and our DBE partners share in this success. In the last major year of spend, 60 percent of the project budget, or more than \$46 million, went to DBEs.

IT Services - In 2010, DBE firms were selected as part of our Strategic Sourcing for IT staff augmentation services. As a result, SDG&E will earn significant savings over the life of the agreement, while increasing our DBE spend in this market by \$4 million from 2010 to 2011, representing a 20 percent increase. As our IT organization continues to support our company strategic plan, we believe there will be many new opportunities for DBEs.

Profiles in Success:

Agile Sourcing Partners



"Agile Sourcing Partners has been able to leverage our experience with inspection and QC protocols from the Sunrise Powerlink to expand our services to other manufacturers and utilities. As a result of this project, Agile has grown the amount of business we have with utilities statewide and strengthened our relationships throughout the transmission industry as a whole."

- Maria Thompson, President and Founder of Agile Sourcing Partners

Minority-Owned Business Enterprise (MBE) Procurement

Minority businesses continue to offer goods and services that span across all operations of our organization. While our total dollar volume of spending with minority-owned (MBE) businesses grew substantially in 2011, from \$273 million in 2010 to nearly \$323 million in 2011, the overall MBE percentage dropped from 26.2 percent in 2010 to 22.5 percent in 2011 due to the large increase in our overall base spending. We are not satisfied with these results and are continually evaluating to see how we

can improve in this area. The new SCORE program will play an important role in focusing on this area as we move forward.

When looking at our progress in 2011 MBE procurement, there were more than 16 MBE suppliers that have more than \$1 million in spending for the Sunrise project. Of those 16 MBEs, 7 were Hispanic businesses, 3 were African American businesses, 5 were Asian businesses and 1 was "other," as categorized by the CPUC.

Profiles in Success:

IBS Consulting—Matchmaking and Paying it Forward

When a DBE advisor encouraged Lily Oteino, president and CEO of Infinity Business Solutions, to attend a match-making event hosted by SDG&E and SoCalGas® she thought it was a wonderful opportunity—but never expected to be on the fast track to becoming a supplier.

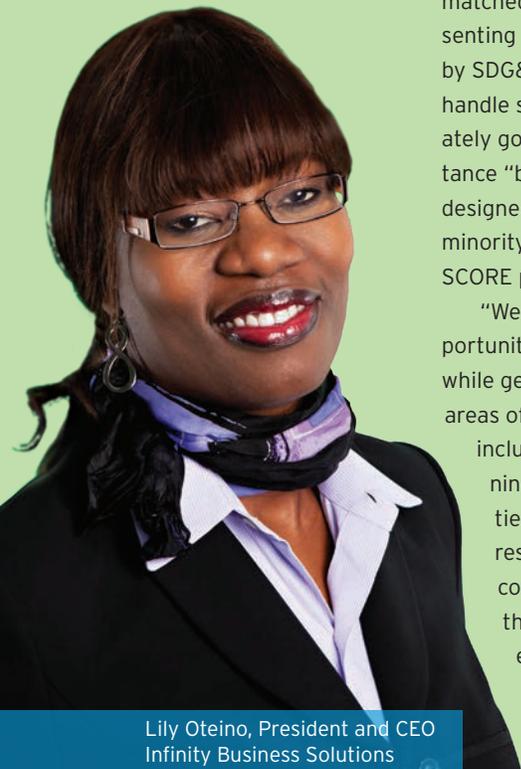
At the matchmaking event, Ms. Oteino was matched with three utility companies. After presenting her capabilities, she was told on the spot by SDG&E that she would be the perfect person to handle supplier development training. She immediately got right to work designing technical assistance "bootcamp" seminars for SDG&E, which are designed to increase contracting opportunities for minority and diverse businesses as part of the new SCORE program.

"We prepare businesses for contracting opportunities with all of the expected prerequisites, while getting them 'contract ready' in other critical areas of business development. These other areas include, but are not limited to: strategic planning, market research, financing and capabilities presentations," explains Ms. Oteino. "The results are truly heartwarming – some of the companies that attended the training said they have been awarded contracts and have experienced tremendous business growth as

a result of what they learned in our bootcamp."

Ms. Oteino has seen her own business grow as a result of conducting those training sessions, and has reaped the benefits of the exposure that comes with working with a major utility company like SDG&E. "I credit SDG&E for leading by example in the utilization of a diverse supplier and giving me a chance," says Ms. Oteino. "I have grown my business 13 percent and counting. I am also being mentored by an SDG&E DBE Advisor through the Southern California Minority Business Development Council's Capacity Building Initiative. The one-on-one attention has given me a greater understanding of working with a major utility company, thereby giving me an advantage when talking to other utilities. Other utilities have expressed an interest and are considering IBS to put on similar training programs."

She attributes the success to the Supplier Diversity Team's leadership and innovation. "The SDG&E Supplier Diversity Team has a vision for significant improvement in the utilization of diverse suppliers and demonstrates that by their aggressive outreach and training programs," says Ms. Oteino. "They aggressively pursue new diverse suppliers for the supply chain and work with them to ensure a successful delivery of the product, good, or service."



Lily Oteino, President and CEO
Infinity Business Solutions

We have also looked at our prime contractors' subcontracting efforts and asked our three biggest prime contractors to increase their efforts to MBEs for subcontracting. We have done this through strengthening language in our contracts, as well as holding our Prime DBEs accountable to subcontract to DBEs. All of these efforts are combined in our "Diversifying our Diversity" campaign detailed in our 2012 plan.

MBE - SDG&E

2007 to 2011 (\$Millions and %)



Profiles in Success:

Business Insight Insurance Agency

"As a small business owner, having the capacity to compete for large-scale contracts is almost unattainable due in large part to not being able to demonstrate capacity from a financial and staffing perspective. Through a joint venture with the third largest insurance broker in the world, both the financial and resource capacity issue was removed and our team was able to have the opportunity to discuss the insurance and risk management services with senior risk management personnel within Sempra. That meeting resulted in an opportunity to bid on a specific area of insurance for Sempra and we were successful in being selected for this project that could generate as much as \$150,000."

- Douglas Gray, President, Business Insight Insurance Agency

Women-Owned Business (WBE) Procurement

Our spending with women-owned businesses (WBEs) continues to flourish representing 12 percent of total 2011 expenditures and a dollar volume of nearly \$173 million. This is a huge increase of almost \$93 million over 2010 WBE spending. We continue to far exceed the CPUC goal of 5 percent and have done so for six consecutive years.

WBE - SDG&E

2007 to 2011 (\$Millions and %)



Some of the WBE relationships we are especially proud of include:

- Doubling our spending from 2010 to \$358,000 in 2011 with a woman-owned law firm for lawsuit/litigation work for right of way acquisitions.
- Exponentially increasing spend to a total of \$7.5 million with a WBE providing ground support services for the Sun Bird air crane and aerial ferrying services for Sunrise Powerlink construction.
- A woman-owned vehicle dealership that had been doing some work for SDG&E won a three-year contract valued at nearly \$7 million to provide vehicles, install communications equipment and accessories.



The “green” renovations for SDG&E’s new Energy Innovation Center are on track for achieving Platinum LEED Certification.



- Two WBE contractors were hired after connecting at the Smart Grid event hosted by GE and SDG&E. GE subcontracted \$755,000 with two new WBE suppliers. This is notable because the Electric Generation portfolio has always been a challenging area to increase DBE spend due to the many complexities (e.g. Long Term Service Agreements, manufacturing warranty and specifications) just to name a few.
- A woman-owned general contractor completed the “green” renovations for SDG&E’s new Energy Innovation Center (pictured above), a premier project, which is on track to achieving Platinum LEED Certification. This highly visible building provides venues for showcasing various sustainable energy technologies. After demonstrating success in several relatively small jobs, a WBE was awarded their largest contract for more than \$6 million.

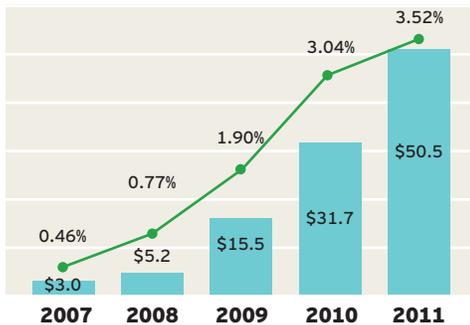
“Electric Generation has been able to form effective partnerships with several DBE suppliers that bring value to the table and provide a high level of service,” says SDG&E Director of Electric Generation Dan Baerman. “With the help of our DBE Program Advisor and Supply Management, we have established relationships with suppliers that we’d be pleased to work with whether they’re DBE or not. I think that clearly embodies the spirit of the DBE program.”

Service-Disabled Veteran-Owned Business (SDVBE) Procurement

We are exceedingly proud to continue to grow our Service-Disabled Veteran-Owned business spending. We topped our previous year's SDVBE results with an amazing 3.5 percent. This is an almost \$19 million increase over 2010. This is exceptionally gratifying, as San Diego has long been a city steeped in military tradition, and it is our obligation to make sure returning veterans have every opportunity for success in the business ventures they develop.

SDVBE - SDG&E

2007 to 2011 (\$Millions and %)



Some SDVBE success stories from 2011 include:

- An environmental firm, with whom we started working in 2009, has increased contracts from \$1.9 million to more than \$17 million in 2011.
- A solar installer working on an emerging technologies program has cumulative spend since 2009 totaling \$3 million.
- Another SDVBE provides concrete and logistics services in our core spending areas as well as providing support services on our capital projects. Our spending with them increased from nearly \$3 million in 2010 to more than \$8 million in 2011.
- We have been working with one SDVBE for more than 4 years. They've averaged \$1.5 million per year in business with us. In 2011 their spend grew to \$3.3 million in a core business spending area, by providing construction on projects at both the Palomar Energy Center and the Miramar Energy Facility.

Profiles in Success:

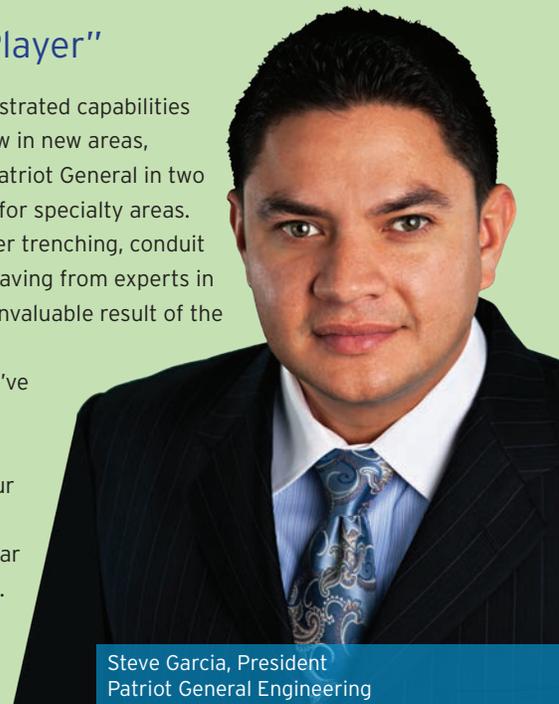
Patriot General Engineering, Inc. - Becoming a "Major Player"

The first project Patriot General Engineering completed was related to SDG&E's "wood to steel" pole conversion project, starting with a three-man crew. Today, Patriot General has contributed to the success of numerous wood to steel projects by providing grading of access roads, and installing some environmental and irrigation controls.

"We have expanded our scope of work for SDG&E to include site access road grading, drilling, foundations and on-call repairs and construction," says Steve Garcia, president of Patriot General Engineering. "During this time we have grown considerably and the relationship with SDG&E has helped our company get off the ground and move forward in this difficult economy. We have also instituted a company policy following in SDG&E's footsteps to 'Put Veterans to Work' and are proud to have hired more than a dozen veterans of the armed services."

Because of demonstrated capabilities and willingness to grow in new areas, SDG&E has included Patriot General in two mentorship programs for specialty areas. Learning how to master trenching, conduit services and asphalt paving from experts in the field has been an invaluable result of the mentoring.

"I'm proud that we've benefited from these mentorship programs and I'm confident in our ability to competitively bid on any job in the near future," says Mr. Garcia.



Steve Garcia, President
Patriot General Engineering



Minority Women-Owned Business Procurement

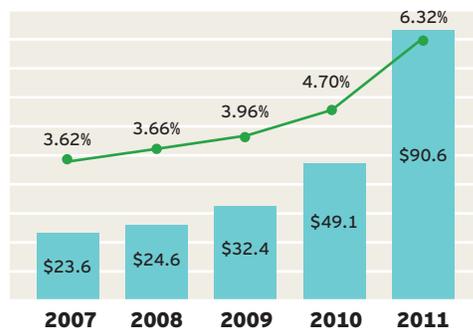
In 2011, we spent more than \$90 million with minority women-owned firms or more than 6.3 percent. This represents an increase of more than 84.4 percent, or more than \$41 million over 2010. In fact, our top supplier for the entire Sunrise Powerlink project is a Hispanic female-owned company.

SDG&E had many successes with Minority Women-Owned firms in 2011, including:

- SDG&E's relationship with a WMBE law firm resulted in \$406,000 in work in 2011.
- A Native-American electrical contractor went through a strategic sourcing RFP process and was named one of three prime contractors for electrical construction work with \$12.6 million in 2011 spend.
- 28 new Minority Women-Owned firms were hired in 2011 including one that developed and led the technical assistance bootcamp for SCORE program.

MINORITY WOMEN - SDG&E

2007 to 2011 (\$Millions and %)



Profiles in Success:

WRG, Inc. - Mentoring and Partnering with New Suppliers

When Phyllis Dixon, president of WRG, Inc., formed her commercial real estate and construction management company, she started pounding the pavement and attending every networking event possible. At one of them, she met a DBE advisor from SDG&E and they discussed potentially working together in the future.

During the two years that followed, Ms. Dixon continued to follow up and check in with SDG&E and that led to an opportunity to participate in a bid for SDG&E's sister utility, SoCalGas. Unfortunately WRG, Inc. did not win the bid, but that didn't deter Ms. Dixon. "We had a lot of challenges to overcome, being a new, small business and SDG&E helped me with things like telling me how to get certified and putting me in touch with the right people. With many prospective clients it's a challenge figuring out who to contact regarding diverse business opportunities, but the SDG&E Diversity Supplier

Team is very accessible and responsive."

WRG was eventually awarded a contract with SoCalGas for construction management work for the company's payment centers throughout Southern California. Even with an extremely tight schedule, the projects were completed ahead of schedule and on, or under, budget.

Now, a year after WRG's contract with SoCalGas was implemented, Ms. Dixon is pursuing opportunities with SDG&E, the original company she engaged with when beginning her business. "We've come full circle now and are so pleased to be talking with SDG&E after completing our contract with SoCalGas," says Ms. Dixon. "One reason for my success is my persistence, but the other is the partnership and sincere help that the Supplier Diversity Team gave me in providing counsel and opportunities for me to demonstrate our capabilities. Without both pieces of the puzzle, we would not be as successful as we are today."



Phyllis Dixon, President of WRG, Inc.

9.1.3 ITEMIZATION OF WMDVBE PROGRAM EXPENSES

The 2011 SDG&E program expenses are listed below.

Expense Category	Expenses (In thousands)
Wages	\$479
Other Employee Expenses	
Program Expenses ¹	\$317
Reporting Expenses ²	
Training Expenses	\$12
Consultants ³	\$89
Other	
Total	\$897

Program expenses include CPUC Supplier Clearinghouse program costs, technical assistance, capacity building events, office support services and other expenses.

¹ Includes reporting and other employee expenses
² Included in Program Expenses
³ Includes IT costs

9.1.4 DESCRIPTION OF PROGRESS IN MEETING OR EXCEEDING SET GOALS

We believe maintaining and developing a strong core of diverse suppliers, along with establishing new relationships in our strategic initiative areas, is a fundamental component of our business strategy. Our commitment to connecting with our community's diverse businesses was critical to our success in 2011.

Category	2011 Actual	2011 Goals
Minority Business Enterprise (MBE)	22.54%	15.00%
Women Business Enterprise (WBE)	12.07%	5.00%
Service-Disabled Veteran Business Enterprises (SDVBE)	3.52%	1.50%
Total WMDVBE	38.13%	21.50%

At right is a table illustrating our 2011 accomplishments relative to CPUC GO 156 goals.

9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS

Subcontracting Results Strong

Subcontracting has contributed greatly to our success, especially on our major capital projects. The Sunrise Powerlink experienced a \$171 million increase in subcontracting from \$15 million in 2010 to more than \$186 million in 2011. Overall, our prime contractors reported \$243 million of subcontracting spend to diverse suppliers in 2011, which accounted for nearly 17 percent of our total DBE spending.

We strongly encourage all suppliers to follow our lead by providing subcontracting opportunities to diverse businesses. Every

RFP we issue emphasizes our commitment to supplier diversity and encourages DBE inclusion in bid responses, which is part of our criteria for selecting suppliers. Prime suppliers must report their subcontracting results monthly. If a prime contractor has not met the goals outlined in their contract, executive meetings are held to take corrective actions towards adhering to their commitment to supplier diversity. If a prime contractor does not perform in the area of supplier diversity subcontracting, participation in future competitive bidding opportunities or contract extensions may be denied. The subcontracting results undergo

an annual internal audit, to review the accuracy and completeness of payments being reported by our primes.

Our contractors can attest that the reason to subcontract to DBEs is no longer driven by obligations within our agreements. Many are realizing the value DBEs bring, and the positive effect on their bottom line. As a result, we are seeing several of our suppliers initiate their own supplier diversity programs, using best practices they have learned from SDGE.

SUBCONTRACTING - SDG&E
2007 to 2011 (\$Millions and %)



2011 SDG&E	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 \$	\$137,785,558	\$58,453,346	\$196,238,904	\$83,353,935	\$279,592,839	\$23,772,974	\$303,365,813
Subcontracting \$	\$94,498,664	\$32,143,208	\$126,641,872	\$89,559,465	\$216,201,337	\$26,710,311	\$242,911,648
Total \$	\$232,284,222	\$90,596,554	\$322,880,776	\$172,913,400	\$495,794,176	\$50,483,285	\$546,277,461
Direct %	9.62%	4.08%	13.70%	5.82%	19.51%	1.66%	21.17%
Subcontracting %	6.60%	2.24%	8.84%	6.25%	15.09%	1.86%	16.95%
Total %*	16.21%	6.32%	22.54%	12.07%	34.60%	3.52%	38.13%
Total Procurement	\$1,432,736,971						

*Percentage may not equal total due to rounding



Profiles in Success:
Simon Wong Engineering

“It was a real challenge to be noticed as a viable partner, but SDG&E put on some very helpful networking events, which allowed us to keep our name in the game and learn about the Sunrise Powerlink Project. We are grateful to have been chosen by Burn’s and McDonnell as a subcontractor and been able to prove ourselves through our work.”

- Simon Wong, President, Simon Wong Engineering

9.1.6 LIST OF WMDVBE COMPLAINTS

Formal - There were no formal DBE complaints filed in 2011 with the CPUC.

Lawsuits - There were no DBE lawsuits filed in 2011.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

The November 14, 2003 ALJ General Order 156 Ruling ended exclusions, resulting in specific categories no longer being deducted from the fundamental procurement amount.

9.1.8 DESCRIPTION OF EFFORTS TO RECRUIT WMDVBE SUPPLIERS

Developing DBEs that are able to bid and compete in low utilization categories is a long-term process, which has been the key to our overall success. Some of the low utilization categories require suppliers to have a larger workforce, highly specialized skills, increased insurance coverage, a represented workforce and/or substantial financial strength.

Even when faced with these special requirements, we have persisted with creative ideas to allow increased DBE participation, such as modifying the contract requirements, assisting in training DBEs with the necessary skill sets and breaking apart larger projects to provide developmental opportunities to DBEs. We have also had success in outreach activities and matchmaking events to build a stronger DBE supplier base in legal services, "green" energy and smart grid. A premier example of results is in the area of financial services, where SDG&E continues to be a pioneer in completing deals with DBE firms.

Financial Services

We have continued to turn to DBE suppliers in Financial Services in 2011, significantly increasing DBE participation in finance to \$2.2 million or 16.25 percent compared to \$1.9 million in 2010.

SDG&E has worked closely with minority-owned investment banking firms in the last few years and has transformed DBE participation in those transactions, effectively "raising the bar" for minority deals. Where typical Fortune 500 deals may involve DBEs in a passive role with about 6 percent participation, SDG&E helped foster active "lead banker" roles with participation as high as 30 percent.

In 2011, minority-owned firms twice acted as bookrunners on Company first-mortgage bond offerings. In August, an African-American DBE jointly led a \$350 million, 10-year offering that garnered a 3.00 percent coupon, setting several new-issue records including lowest coupon ever for a 10-year utility offering and lowest coupon for any 10-year corporate transaction in 2011. It was also the second-lowest 10-year corporate coupon of all-time, underscoring the profitability of working with DBE companies. Two other minority-owned underwriters participated as co-managers on the transaction. CPUC Commissioner Timothy Alan Simon commented on the deal in a press release, "*We commend SDG&E for making significant strides toward the goals of the Commission's General Order 156.*"

In November, another African-American DBE served as a joint bookrunner on the Company's \$250 million, 3.95 percent first-mortgage bond due 2041. For a short time this bond held the record for lowest 30-year utility coupon, once again highlighting the advantages of working with DBE companies. Another well-known minority-owned underwriting firm served as a co-manager on the deal.

CPUC Commissioner Timothy Alan Simon recognized SDG&E's efforts in the media when he included this quote in a press release, *"SDG&E continues to lead the way among California utilities in 'walking the talk' on diversity and in creating new opportunities for minority companies in this dynamic capital market."*

We continue our relationship with minority firms in managing our short-term investments. One firm has developed a money market portal and we have had up to \$20 million invested, depending on market conditions. SDG&E invested \$230 million with another DBE firm's portal during 2011.

In 2011, we contracted a Hispanic-owned investment manager to invest and manage \$75 million in global high-yield fixed income assets, a new asset class for SDG&E's pension fund. In 2010, we had no investments with diversity managers in the pension fund since 100 percent of the fund was invested passively (index funds). Of our total investment portfolio, 27.3 percent is invested with DBE money market funds, up from 14.9 percent in 2010 (based on average valuation).

"Our experiences working with DBEs in financial services have been extremely positive - yielding not only excellent financial results and providing the opportunity for new investors to own our high quality debt instruments, but also providing us with the highest level of professionalism, expertise and market advice. These firms are working hand-in-hand with the large institutional firms, resulting in helping us issue market-competitive financial instruments that benefit both ratepayers and shareholders alike. We continue to foster these relationships with the hopes of creating new avenues of success and long-term partnerships."



– Bob Schlax, SDG&E VP, Treasurer, Controller & CFO
pictured with Jessie J. Knight, Jr., Chairman & CEO, SDG&E

In 2011, diverse security brokers executed 62 percent of the trading activity for the SDG&E pension fund generating about \$220,000 in commissions, up 50 percent from 2010. In addition, the pension staff identified diverse investment managers and conducted research on their characteristics, trading resources, and investment acumen. Through this research, we contracted one new diverse investment manager in 2011 and are looking to contract two additional managers in 2012.

All of SDG&E's executives, directors and managers in Finance are actively involved in activities with the National Association of Securities Professionals, and CPUC workshops and OIRs on finance related issues. On an ongoing basis, they continue to meet with DBE financial firms

to discuss business opportunities and to learn more about the DBE firms in areas such as auditing, insurance, bonding, and investment banking.

A true champion of diversity, SDG&E VP, Controller, Treasurer and CFO Bob Schlax has demonstrated unwavering leadership in creating opportunities for DBE firms. In addition to the successes described above, Schlax took an active role at the 2011 National Association of Securities Professionals Annual Pension and Financial Services Conference, providing an opportunity to connect with conference attendees on how to do business with SDG&E and SoCalGas. He believes the more we provide opportunities for minority-owned banks and investment banking firms, the more we can help "level the playing field." Schlax was awarded the "Pinnacle Award" at the 2011 internal "Championing

Diversity Awards" (pictured, with SDG&E Chairman & CEO Jessie Knight) - the top honor in supplier diversity achievement for yielding innovative and measurable spending results at SDG&E. The strong relationships we have developed with financial professionals, and the successful execution by our DBE partners, ensures this will continue to be a high-performing area for years to come.

FINANCE - SDG&E
2007 to 2011 (\$Millions and %)



Profiles in Success:

CastleOak Securities, L.P. - Trailblazing DBE Financial Deals

Since 2008, CastleOak Securities' Investment Banking Group has been working with SDG&E's Finance Team to present corporate finance capabilities and develop relationships. As part of this process, the Supplier Diversity Team at SDG&E encouraged CastleOak to register with the CPUC Supplier Clearinghouse while maintaining a strong dialogue with the corporate and utility treasury teams.

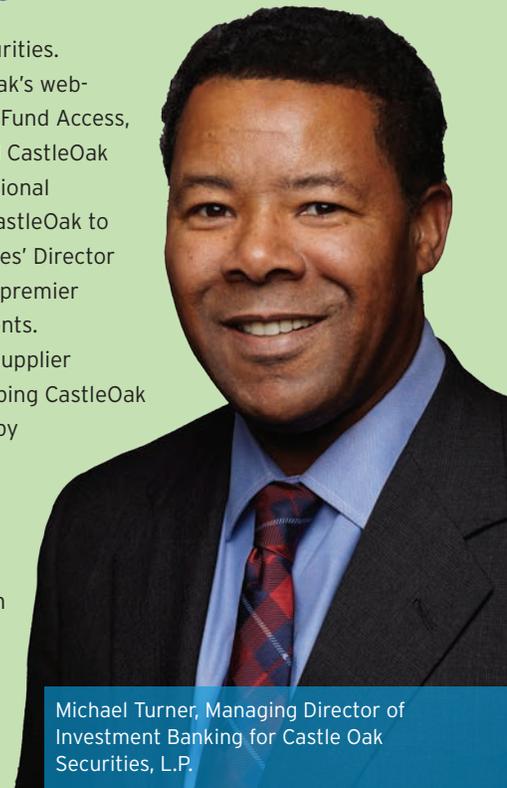
CastleOak's first SDG&E mandate was as co-manager of the company's \$250 million 30-year First Mortgage Bond transaction in May 2010. In August of 2011, CastleOak was selected as joint lead and book-running manager of SDG&E's \$350 million 10-year First Mortgage Bond transaction.

"SDG&E has exhibited confidence in CastleOak's capital markets capabilities especially in this volatile marketplace. Through this relationship, CastleOak has further increased its credibility with the institutional investor community and large Wall Street syndicate departments," said Michael Turner, Head of

Investment Banking for CastleOak Securities.

In addition, SDG&E utilized CastleOak's web-based money fund portal called Money Fund Access, after SDG&E's funding team introduced CastleOak to its cash management team. An additional referral provided the opportunity for CastleOak to host a forum introducing Sempra Utilities' Director of Pension Investments to some of our premier minority-owned emerging manager clients.

"Our relationship with the SDG&E Supplier Diversity Team has been invaluable helping CastleOak to create successful sponsored events by providing the appropriate input and recommendations on invitees, venues and client communication," said Mr. Turner. "Lead managing a bond transaction for SDG&E helps to reaffirm our goal of being a premier boutique investment bank that provides service comparable to larger firms on Wall Street."



Michael Turner, Managing Director of Investment Banking for Castle Oak Securities, L.P.



2011 Legal Spending

In 2011, SDG&E spent \$2.5 million with DBE legal firms, continuing the company's high-visibility commitment to identify and expand business opportunities with minority-owned law firms. We now have 19 DBE firms working for SDG&E, seven of whom are minority-owned. This represents a dramatic increase from 2005, when only a few DBE firms were engaged in legal matters.

SDG&E has expanded DBE law firm participation into most legal niches and considers DBE firms when a new case begins. DBE firms provide SDG&E legal support in securities, real estate, general litigation, intellectual property, workers' compensation, venture capital projects, employment law and asset recovery.

For our Sunrise Powerlink project, 50 percent of our lawsuit/litigation work for right of way acquisition was placed with a woman-owned firm, in addition to other cases outside of the Sunrise project.

SDG&E's General Counsel regularly meets with lawyers from emerging DBE firms to develop relationships with attorneys who may be able to provide legal services to the utility in the future. SDG&E attorneys also strive to develop and maintain relationships with diverse attorneys at majority-owned firms. In 2011, SDG&E spent \$16.7 million with minority and female attorneys at majority-owned law firms, representing almost 84 percent of total spend at those firms.

DBE firms provide SDG&E legal support in securities, real estate, general litigation, intellectual property, workers' compensation, venture capital projects, employment law and asset recovery.

We also conduct several outreach and networking events during the year to create and strengthen the relationships in the diverse legal community. Sempra Energy, parent company of SDG&E, is an active member of the National Association of Minority and Women-Owned Legal Firms (NAMWOLF) Inclusion Initiative, and reports on DBE spend every quarter.

Sempra Energy, representing SDG&E among its other companies, also donates to funds and attends fundraisers for diverse bar associations numerous times each year. Each year Sempra Energy also participates in Corporate Minority Counsel Program's Corporate Connections to meet new DBE firms via brief interviews with in-house counsel.

Sempra Energy is also a founding member and annual participant in the San Diego County Bar Association/ Association of Corporate Counsel-San Diego Diversity Fellowship Program (DFP). Each summer, Sempra Energy hosts two diverse law students from local law schools to perform work for Sempra Energy utilities. Sempra Energy also successfully solicits additional law firms and corporate law departments to join the DFP and host law students for the summer. A number of participants have received full-time jobs from their host firms/law departments as a result of their fellowship participation.

Unfortunately, even this successful effort to expand DBE legal opportunities has been significantly diluted by the set of cases known as "Firestorm," where legal expenses represent a large portion of SDG&E's total expenses. For this reason, 2011 DBE Legal

results for SDG&E, including “Firestorm” cases, was 6.17 percent. Without “Firestorm” cases, SDG&E’s DBE achievement in Legal would have been more than 17 percent. We

will continue to focus on promoting DBEs for our legal work and identify additional best practices so we can continue to increase our DBE results.

Profiles in Success:

Brown Law Group - A New World of Opportunities

Janice Brown, Founder and Owner of the Brown Law Group, has worked with the SDG&E corporate and legal team for more than 22 years providing guidance in the areas of employment law, employee relations training, and business litigation. The relationship truly blossomed when Ms. Brown launched Brown Law Group, a minority- and woman-owned law firm, in 2003 with SDG&E as one of the firm’s cornerstone clients.

According to Ms. Brown, SDG&E was there at the beginning of Brown Law Group and advised her of the competitive advantages of incorporating as a minority- and woman-owned business. “The business model,” said Ms. Brown, “fit perfectly with my passion and commitment as an attorney and woman of color. This has remained an integral pillar of the Brown Law Group culture.” Today, Ms. Brown sits on the Board of Directors of the National Association of Minority & Woman-Owned Law Firms (NAMWOLF) and serves on the Business Retention and Expansion Program (BRE) advisory council of the San Diego Regional Economic Development Corporation.

Last year, Brown Law Group was named Minority Business Enterprise Supplier of the Year (Class II - firm size between \$1 million to \$10 million) following its nomination for the award by SDG&E. “I was deeply honored that the SDG&E team brought our firm to the attention of the San Diego Regional Minority Supplier Development Council,” said Ms. Brown. “SDG&E has remained a loyal client and treasured advocate of our firm’s culture and expertise. I am truly appreciative of our enduring relationship.”

Brown Law Group is a leading San Diego business litigation boutique firm that specializes in all aspects of employment law and business litigation. The firm has received recognition for its legal acumen, fierce and successful client advocacy, and its skills in preventive law. Ms. Brown’s particular expertise includes mediating complex legal issues in the areas of employment law and general civil litigation. Her professional work has earned her awards from the Department of Justice - Trial Lawyer of the Year; California Association of Black Lawyers - Lawyer of the Year; San Diego County Bar Association - Diversity Professional of the Year; and Southern California Super Lawyer for five consecutive years, 2006 - 2011.



Janice Brown, Founder and Owner of the Brown Law Group

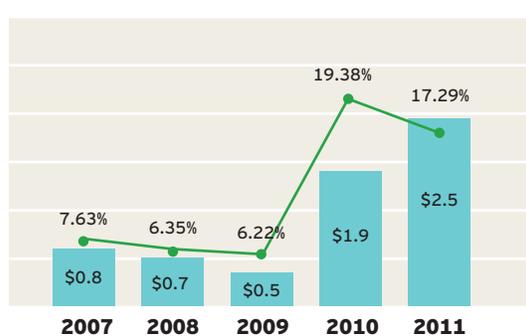
LEGAL - SDG&E

2007 to 2011 (\$Millions and %)



LEGAL WITHOUT “FIRESTORM” - SDG&E

2007 to 2011 (\$Millions and %)



*Graph depicts ‘what if’ we had not been involved in “Firestorm” litigation and depicts legal spend with “Firestorm” litigation costs removed from our core business spending

2011 SDG&E Legal Spend: Diverse Attorney Work Within Majority Legal Firms		Total
Minority Men	African American	\$95,145
	Asian Pacific American	\$120,938
	Hispanic American	\$438,567
	Native American	\$ -
	Other	\$1,198,843
	Total Minority Men	\$1,853,493
Minority Women	African American	\$957,283
	Asian Pacific American	\$225,461
	Hispanic American	\$10,570
	Native American	\$ -
	Other	\$279,685
	Total Minority Women	\$1,472,999
Total Minority Business Enterprise (MBE)		\$3,326,492
Non Minority Women: Attorneys		\$12,163,353
Total Women, Minority Business Enterprise (WMBE)		\$15,489,845
Service-Disabled Veteran Business Enterprise (SDVBE)		\$-
Total WMDVBE		\$15,489,845
Non Minority Men: Attorneys		\$17,183,419
Total Procurement		\$32,673,264

2011 SDG&E Legal Spend: Diverse Paralegal Spend by Majority Legal Firms		Total
Minority Men	African American	\$ -
	Asian Pacific American	\$569,313
	Hispanic American	\$571,811
	Native American	\$ -
	Other	\$ -
	Total Minority Men	\$1,141,124
Minority Women	African American	\$ -
	Asian Pacific American	\$1,040
	Hispanic American	\$8,231
	Native American	\$ -
	Other	\$ -
	Total Minority Women	\$9,271
Total Minority Business Enterprise (MBE)		\$1,150,395
Non Minority Women: Paralegals		\$646,330
Total Women, Minority Business Enterprise (WMBE)		\$1,796,725
Service-Disabled Veteran Business Enterprise (SDVBE)		\$-
Total WMDVBE		\$1,796,725
Non Minority Men: Paralegals		\$601,129
Total Procurement		\$2,397,854

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E will preserve all documents and data related to its DBE annual report for (a) three years or (b) the timeframe that is in compliance with SDG&E'S internal document retention policy, whichever comes later. SDG&E will provide these documents and data to the commission upon request.

9.1.10 SUMMARY OF PURCHASES IN PRODUCT AND SERVICE IN ADDITIONAL CATEGORIES

Per the GO 156 OIR, this section is to report on the summary of purchases in product and service categories that include renewable and non-renewable energy, wireless communications, broadband, smart grid, and rail projects, in addition to their current reporting categories.

An exemplary case of including DBEs in the area of renewable energy has been our Sunrise Powerlink project. This project is a 117-mile transmission line that will carry renewable energy from the Imperial Valley to San Diego. DBE spending on the Sunrise Powerlink project in 2011 was \$248 million, or more than 41.8 percent.

In the area of smart grid, our smart meter and dynamic peak pricing projects have also reported strong DBE spend. In 2011, 60 percent of the smart meter project was with DBEs, representing over \$46 million. Our dynamic peak pricing project reported 25.7 percent or over \$2 million of DBE spend.

A woman wearing a white hard hat and a light blue, vertically striped button-down shirt is seen from the back, looking out at a field of white wind turbines under a clear blue sky. Her hair is pulled back in a ponytail with a purple hair tie. A teal banner is overlaid on the right side of the image.

2012 DBE ANNUAL PLAN



10.1.1 GOALS

Overview

We continue to set ambitious DBE spending goals, committing to 32 percent targeted DBE spending in 2012. In order to achieve this goal, we will continue our long-term strategy of developing and expanding our base DBE suppliers in our core gas and electric operations and construction areas, while augmenting the DBE spending with new initiatives and emerging areas.

The Supplier Diversity Team will implement new strategies, structures and processes to successfully achieve our 2012 goals, with a focus on ultimately increasing the spend with new DBE suppliers through the plan of “Diversifying our Diversity.”

Short-Term Goals

Along with continuing to expand on our past successes in our core business areas with our DBEs, we will also focus on these key short-term goals:

Align DBEs with Key Capital Projects and Strategic Initiatives - continue to build DBEs on our Sunrise Powerlink project, as well as begin to recruit and develop additional DBEs to align with new capital projects and strategic initiatives, such as the East County Substation, smart grid, and several IT projects. These initiatives will include both prime supplier and subcontracting opportunities for DBEs.

Increase New MBE Spending through SCORE Program - target opportunities in core business areas where we can “Diversify our Diversity” by identifying and developing new diverse suppliers, with a focus on increasing our spending with DBEs.

Create Targeted Strategies for Low

Utilization Areas - develop specific strategies to advance long-term DBE involvement in low utilization areas like electric procurement, legal, finance and media.

Enhance Technical Assistance

Opportunities - partner with our community-based organizations and local universities to continue to enhance our technical assistance programs by issuing the Technical Assistance RFP and awarding the contract. Additionally, we will promote these technical assistance programs through our outreach activities to DBEs.

Increase Internal Communications about our DBE Supplier Success Stories -

launch an internal communication campaign to introduce the new MyDBE intranet site, promote DBE success stories, and further connect our decision makers to our family of DBE suppliers.

Mid- And Long-Term Goals

Continue to develop, implement and monitor DBE sourcing plans for our major capital projects and strategic initiatives as well as continue to ensure strong DBE participation in our core business spending.

Aggressively network with a variety of stakeholders in the Electric Procurement area to source, develop and grow DBEs that have the capabilities to enter the electric procurement and renewable energy space.

Continue to promote strategic relationships to develop and grow DBE firms in low utilization categories, such as legal, financial, media and insurance services.

Create an environment of continuous improvement for Technical Assistance and Capacity Building programs.

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

The SDG&E supplier diversity goal is to exceed the requirements of General Order 156, with short, mid and long terms goals of achieving 32 percent spend with diverse suppliers. Since the make-up of our diverse suppliers is ever changing, we have not established specific goals within each sub-category.

PRODUCTS

Short-Term (2012)					Mid-Term (2014)					Long-Term (2016)				
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			
13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5

SERVICES

Short-Term (2012)					Mid-Term (2014)					Long-Term (2016)				
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			
13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5

PRODUCTS AND SERVICES TOTAL

Short-Term (2012)					Mid-Term (2014)					Long-Term (2016)				
13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5
21.5					21.5					21.5				

Short-Term	Mid-Term	Long-Term
32%	32%	32%



10.1.2 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES

Internal

The Supplier Diversity Team will continue to enhance all the internal activities previously mentioned in section 9.1.1 of this report to build upon our success. With the new Supplier Diversity department reporting structure under Supply Management, we believe there will be even more opportunities for integrated sourcing activities for DBEs.

External

The Supplier Diversity Team will continue with its successful external strategies as previously mentioned in section 9.1.1 of

this report. In particular, we will emphasize “Diversifying our Diversity” with a focus on our SCORE program.

In 2012, we will develop SDG&E specific technical assistance programs to offer to our DBEs (e.g. participants of SCORE, DBEs in electric procurement) that will include training in areas such as transmission and distribution operator qualifications, and applying for transmission and distribution access rights, to name just a few. We will promote these technical assistance programs through our continued outreach activities.

10.1.3 PLANS FOR RECRUITING WMDVBE SUPPLIERS WHERE WMDVBE UTILIZATION HAS BEEN LOW

An area of particular focus in 2012 will be to develop and implement strategies for DBE inclusion in electric procurement (further details can be found in the Power Procurement section of this report).

In the area of legal services, we plan to engage our legal team early when significant legal matters occur. By

presenting several qualified DBE firms early in our case development, we hope to engage a higher penetration of DBE firms participating in our significant cases.

In the financial services area, we will continue to build on prior years’ activities to build our relationships with more DBE firms.

10.1.4 PLANS FOR RECRUITING WMDVBE SUPPLIERS IN ANY EXCLUDED CATEGORY

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

10.1.5 PLANS FOR ENCOURAGING PRIME CONTRACTORS AND GRANTEES TO ENGAGE WMDVBES

Due to our past success in having primes engage DBE subcontractors, we will continue to enhance activities previously mentioned in section 9.1.5 of this report. In addition, we will design improved processes for tracking and comparing

subcontracting commitments to actual prime supplier subcontracting spend. We will recognize at our annual diversity awards at least one prime contractor and DBE subcontractor team for outstanding contract performance.

10.1.6 PLANS FOR COMPLYING WITH WMDVBE PROGRAM GUIDELINES

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.



**2011 DBE POWER PROCUREMENT
ANNUAL REPORT**

Primed to blaze new trails in power procurement

SDG&E has long been a trailblazer in procuring natural gas with Diverse Business Enterprises (DBEs), boasting a successful track record dating back more than two decades.

In 2011, SDG&E purchased \$65.5 million or more than 34 percent of our natural gas supply for electric generation from DBEs. These results come from our mentoring and industry leadership to provide opportunities for DBEs to grow their businesses.



Building on our DBE success in natural gas procurement, we are looking forward to applying the same drive and determination to design strategies, which incorporate DBE suppliers in our electric procurement portfolio as well.

Our electric procurement portfolio has seen recent success in the renewable energy market, contracting 10 percent in 2010 and over 20 percent in 2011 from renewable sources. We believe the renewable energy space is an area of opportunity for DBEs to enter the electric market. We plan to pursue this avenue, among others, to develop prospective electric market DBE suppliers.

In 2011, we made strides in beginning to create our DBE strategy in electric procurement. Through this process, we have identified some challenges that DBEs will be faced with to effectively participate in the market. In the coming years, our company will look for creative ways to overcome these challenges, and continue to connect with new DBEs to grow their businesses over the long term.

A handwritten signature in black ink, appearing to read "James P. Avery". The signature is stylized and fluid, with a large loop at the end.

James P. Avery
Senior Vice President,
Power Supply
SDG&E

EXECUTIVE SUMMARY

SDG&E has been a national leader in providing opportunities for DBE natural gas businesses for more than 20 years. In 2011, we purchased more than \$65.5 million, or 34.1 percent of natural gas for electric generation supply from DBE suppliers. Although our DBE gas purchases were less in 2011 compared to 2010, we continue to deliver results significantly above the GO 156 goal of 21.5 percent.

We procure natural gas for electric generation only. The summary of these SDG&E gas purchases with DBEs are included in this report. Our affiliated utility, SoCalGas procures all the natural gas for our core customers. Please refer to the SoCalGas 2011 Annual Report for a summary of core gas purchases with DBEs.

Also in 2011, we began planning for the new requirement to report on DBE spending in electric power procurement, in advance of the GO 156 Ruling. Building on our success in the fuel procurement market, the Supplier Diversity Team rallied our Electric Procurement leadership team early in the process to better understand their business and together determine how to address including DBEs in electric procurement operations. It will be challenging to get new DBE suppliers in the pipeline immediately, but we are confident that as a long-term effort, we will be able to make strides in this area to reach our long-term goals.



Palomar Energy Center



9.1.1 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES

Internal Activities

Since we are a leader in DBE Fuel Procurement, our first step was to leverage the knowledge and experience of our gas commodity groups at SDG&E and SoCalGas to learn how they initially included DBEs in the gas procurement area.

Next, our Supplier Diversity Team needed to learn how to adapt our gas commodity lessons from the past, to the current electric market. The Supplier Diversity Team members assigned to this initiative did a walkthrough of the Electric Procurement procedures and transmission and distribution interconnection processes with our internal experts. In addition, our DBE advisor attended CAISO training and shadowed the trading and scheduling team for a day.

We met with the leadership team of our Electric Procurement group on a regular basis to brainstorm potential DBE opportunities, identify barriers to entry and propose solutions.

In our Renewable Auction Mechanism (RAM), we incorporated diversity as a criterion for the RFP evaluation. If comparable bids were received, supplier diversity would be the key criteria considered to make the final decision and award the contract.

In 2012, this team will continue on their success in the gas markets and bring creative solutions to the table to assist DBEs in also gaining entry into the electric market.

External Activities - Gas Procurement

Leadership - SDG&E continues to play a leadership role with the National Association of Regulatory Utility Commissioners Utility Marketplace Access Partnership (NARUC UMAP), and National Utility Diversity Council to promote DBE gas marketers.

Mentoring - We facilitate mentoring by enlisting other participants from the energy and financial industries. These mentors include other DBEs, energy industry leaders, energy trading and credit staff, bankers, educational institutions, consultants, marketing staff and governmental agencies. As a result, many of our mentored DBEs have experienced a dramatic growth in business.

External Activities - Electric Procurement

SDG&E joined in collaboration with the CPUC and other California IOUs in the June 30, 2011 workshop to identify the opportunities and potential barriers for DBEs in the Electric Procurement markets. Numerous ideas have been shared since the workshop, including defining the reporting requirements for this area under the GO 156 OIR.

2011 DBE RAM Pre-Bidder's Workshop

In October 2011, SDG&E hosted the first-ever RAM pre-bidders workshop for DBEs in the state. RAM is a simplified, market-based procurement mechanism for renewable distributed generation projects up to 20 MW on the system-side of the meter.

The intent of the DBE RAM pre-bidders conference was to introduce the requirements for the RAM RFP to potential DBE bidders who were new in the market. To kick off the conference, Jim Avery, SDG&E's Senior Vice President of Power Supply gave an overview of California's and SDG&E's Renewable Portfolio Standard goals. The conference included presentations on resource eligibility, project capacity, location/site control, interconnection (distribution and transmission), deliverability studies, power purchase agreement terms and the evaluation criteria for the RAM RFP. Attendees included approximately 25 diverse suppliers and representatives from other IOUs and the CPUC.

Following the presentations, we opened up the discussion to questions about the RAM RFP requirements, along with a broader discussion of new GO 156 DBE requirements for Electric Procurement.

2011 Tribal Leader Forum: Solar Energy Development in the Southwest

In December of 2011, SDG&E presented at the first tribal leader forum: *Utilities Update on Solar Purchasing and Policies*. We see this as an opportunity for growth and are working with the Department Of Energy and Native American Tribes to identify mutually beneficial opportunities.



Renewable Auction Mechanism (RAM)
Pre-Bidders Workshop

9.1.2 SUMMARY OF PURCHASES AND/OR CONTRACTS

ANNUAL POWER PRODUCT RESULTS BY ETHNICITY

Product*	Unit	Asian-Pacific			African-American			Latino			Native American			Other			TOTAL WMD/VE	TOTAL
		Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal		
Renewable Power Products	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$121,047,371	
	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	17%	
	%**																	
Non-Renewable Power Products	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$394,120,554	
	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	56%	
	%**																	
Diesel	\$	\$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%	
	Billion Btu																	
Nuclear	\$	\$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%	
	Billion Btu																	
Natural Gas	\$	\$0	\$33,655,423	\$33,655,423	\$2,667,775	\$0	\$2,667,775	\$4,805,518	\$0	\$4,805,518	\$0	\$24,422,737	\$24,422,737	\$0	\$0	\$65,551,453	\$192,098,722	
	%	0%	18%	18%	1%	0%	1%	3%	0%	3%	0%	13%	13%	0%	0%	34%	27%	
	Billion Btu		8272		700			1158				6137					47800	
Total \$	\$0	\$33,655,423	\$33,655,423	\$2,667,775	\$0	\$2,667,775	\$4,805,518	\$0	\$4,805,518	\$0	\$24,422,737	\$24,422,737	\$0	\$0	\$65,551,453	\$707,266,647		
Total %	0%	5%	5%	0%	0%	0%	1%	0%	1%	0%	3%	3%	0%	0%	9%	100%		

*Physical or financial and excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Munis and cooperatives

**Includes Long Term Procurement Commitments after 2012 or as a result of RFOs after 2012

*** Percentages may not equal total due to rounding

There were no DBE purchases to report for 2011 in electric procurement.

9.1.3 PROGRAM EXPENSES

Program expenses are included in Section 9.1.3 in the 2011 Diverse Business Enterprises Product and Services section.

9.1.4 GOAL PROGRESS

For overall goal progress on Power Procurement, see section 9.1.2 of this report.

For information on activities that help us reach our goals, see section 9.1.1 of this report.

9.1.5 SUBCONTRACTORS

As a commodity in trading, the margins in natural gas severely limit subcontracting opportunities. SDG&E has done an excellent job of securing prime contracts with DBEs in 2011 for more than 34.1 percent of our total natural gas purchases.

For the purchase of our electric commodities, we have not identified opportunities for subcontractors at this time.

9.1.6 COMPLAINTS

There were no formal complaints filed in 2011.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/ SERVICES IN EXCLUDED CATEGORIES

SDG&E no longer reduces the procurement base with Canadian and offshore volumes per the CPUC's decision to end excludable categories.

For electric procurement, purchases which are excluded from reporting include:

- Physical or financial purchase transactions with the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives.



9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

The electric commodity market is certainly an area where DBEs are underutilized, and perhaps, scarce. With our 2012 and long-term plans in this area, we are working diligently toward identifying and assisting new DBEs to enter this market. We believe programs such as the Renewable Auction Mechanism (RAM) will be an area with relatively low barriers to entry.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E will comply with the regulations.

9.1.10 PARTICIPATION RESULTS BY FUEL CATEGORY

Please see chart in section 9.1.2 for the summary of results by fuel category.

9.1.10.B MARKET CONDITIONS AND OUTREACH

SDG&E has an obligation to procure least-cost electricity from suppliers who can meet credit requirements set by the CPUC to manage risk exposure. Generators in this electric market are typically large entities with strong balance sheets, that are backed by investment or commercial banks, which have the capital to back the contracts and hold positions in the market.

Due to the high capital requirements for both the electric and gas markets, DBE suppliers are more significantly affected by credit, market and economic conditions as compared to large entities. Because of their small asset base, DBEs have limited access to credit and supplies.

To assist small and emerging DBEs, SDG&E utilizes the Funds Transfer Agency Agreement (FTAA), a DBE credit instrument developed by SDG&E. Because of these efforts with our majority energy companies, combined with our willingness to consider doing business with new DBEs, we added a new energy supply company to our portfolio in 2011.

Going forward, SDG&E will continue to explore ways to overcome the credit constraints with the goal of further expanding the number of DBEs that can sell to SDG&E. We will leverage the success of the FTAA in the gas market to create a similar credit instrument for DBEs in the electric market. In 2012, we will also continue our outreach efforts as mentioned in section 9.1.1 of this Power Procurement report.



**2012 DBE POWER PROCUREMENT
ANNUAL PLAN**

10.1.1 GOALS

SDG&E will continue to leverage our past success in developing DBEs in the gas market, and identify new opportunities for DBEs to participate in the electric market. We will strive to reach our goal of signing electric procurement deals with DBEs in 2012 by offering customized technical assistance programs directed at new DBE suppliers entering the electric procurement market, and providing them with opportunities to bid on the RAM RFPs.

Category	2012 Goals	2014 Goals	2016 Goals
Minority-Owned (MBE)	15.0%	15.0%	15.0%
Women Owned (WBE)	5.0%	5.0%	5.0%
Service-Disabled Veteran (SDVBE)	1.5%	1.5%	1.5%
Total	21.5%	21.5%	21.5%

10.1.2 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES

Planned Internal/External Activities

In the gas market, we plan to continue the activities identified in sections 9.1.1 of this report.

In the electric market, the focus on building DBEs in the electric commodity market is a new initiative for us, and as such, we will continue work on the activities we initiated in 2011 (see section 9.1.1).

In addition to the above, SDG&E will be serving in a leadership position on the board with the National Council of Minorities in Energy.

Power Suppliers Advisory Panel (PSAP)

We plan to establish a Power Suppliers Advisory Panel (PSAP) and a series of technical assistance training programs to assist DBEs in participating in the electric marketplace in California.

The mission of the SDG&E Power Suppliers Advisory Panel is to promote and accelerate the entry of new DBEs into the electric procurement market and

support development through interaction with suppliers, corporate sponsors and regulatory agencies so as to achieve the goals of GO 156. The function of the PSAP is to provide an open forum for its members to discuss electric procurement opportunities and challenges for DBEs. The primary goal is to encourage new DBE development in the electric procurement sector and explore ways in which SDG&E can assist DBE entry into the market. We expect various types of technical assistance and outreach programs will also be identified from this advisory panel to address increasing electric procurement opportunities and spend for DBEs.

We will continue to leverage our past success in developing DBEs in the gas market and identify new opportunities for DBEs to participate in the electric market. By offering customized technical assistance programs directed at new DBE suppliers entering the electric procurement market, and providing them with opportunities to bid on the RAM RFPs, our goal is to sign electric procurement deals with DBEs in 2012.

In 2012, we will work with DBEs to seek additional ways to satisfy credit requirements and thus further expand DBE suppliers. We will also source DBEs who are interested and capable of participating in our short-term physical and financial energy transactions. Expanding DBE procurement into the electric commodity market will require significant planning to partner with new suppliers, address credit issues and develop agreements. Over the next five years, SDG&E also will explore ways to create opportunities for DBE suppliers to compete in the procurement of long-term conventional and renewable resources and electric products.

In support of developing DBEs in the electric procurement market, we plan to continue to leverage existing relationships, such as the National Council of Minorities in Energy, to aggressively find new qualified DBEs.

“In 2011, we achieved 34 percent DBE participation in gas procurement for SDG&E, which began years ago as a challenging area. We’re proud of our track record and now we are starting to apply the very successful approaches from that area to the new electric procurement goals under GO 156”

– Matt Burkhardt, SDG&E Vice President
of Electric & Fuel Procurement

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN UNDERUTILIZED AREAS

See section 9.1.10B and section 10.1.2. of this report for our planned internal/external activities, as all suppliers in this area are considered underutilized.

10.1.4 PLANS FOR RECRUITING WMDVBE SUPPLIERS IN ANY EXCLUDED CATEGORY

Due to the nature of the excluded categories mentioned in 9.1.7, SDG&E will not plan any specific activities for these excluded categories.

10.1.5 SUBCONTRACTING ACTIVITIES

As a commodity in trading, the margins in natural gas severely limit subcontracting opportunities. SDG&E has done an excellent job of securing prime contracts with DBEs in 2011 for more than 34.1 percent of our total natural gas purchases.

We have not identified opportunities for subcontracting activities in the electric procurement area at this time. This will be an area that our PSAP will review and discuss.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.

ORGANIZATIONS

American Indian Chamber - SD
 American Indian Chamber - LA
 Asian Business Association - LA
 Asian Business Association - SD
 California Alliance DVBE
 California Black Chamber of Commerce (CBCC)
 California Hispanic Chamber of Commerce (CHCC)
 Central San Diego Black Chamber of Commerce
 Chinese American Construction Professionals (CACP)
 Elite SDVOB Network
 Greater Los Angeles African American Chamber of Commerce (GLAAACC)
 Latin Business Association (LBA)
 National Association of Minority Contractors
 Multi-Cultural Contractors Group (MCCG)
 National Association of Women Business Owners
 National Council of Asian American Business (NCAABA)
 National Latina Business Women Association
 National Minority Supplier Development Council (NMSDC)
 Regional Minority Supplier Development Council
 National Utility Diversity Council (NUDC)
 San Diego Business Association
 Southern California Minority Business Development Council (SCMBDC)
 United States Hispanic Chamber of Commerce
 Women Business Center of California (WBCC)
 Women Business Enterprise Council (WBEC)

2011 EVENTS

Elite SDVOB Network 9th Annual National Conference
 Elite SDVOB San Diego Chapter Annual Business Matchmaking
 American Indian Chamber of Commerce Heritage Lunch
 Asian Business Association - LA Annual Awards Banquet
 Asian Business Association - San Diego Annual Awards Banquet
 Los Angeles Black Business Association Annual Awards
 California Black Chamber of Commerce Annual Conference
 California Hispanic Chamber of Commerce Annual Convention & Business Expo
 CDUC Green Energy Summit - Sacramento
 Chief Financial Officer/California Public Utilities Commission Outreach Events
 Chinese American Construction Professionals - Installation Dinner
 San Diego Regional Minority Supplier Development Council Supplier Diversity Week, Annual Awards
 National Minority Supplier Development Council (NMSDC) National Business Opportunity Fair
 NMSDC Regional Minority Business Program Managers' Seminars
 National Veteran Small Business Conference
 CPUC En Banc Hearing
 CPUC Legal Symposium - San Francisco
 CPUC Small Business Expo and American Indian Chamber of Commerce Business Expo - Rancho Mirage
 CPUC Small Business Expo and Black Business Association Utilities Procurement Exchange Summit
 CPUC Small Business Expo - Stockton
 National Association of Woman Business Owners (NAWBO) Women's Business Conference
 Pacific Gas and Electric Disabled Veteran Business Enterprise (DVBE) Matchmaking Event

APPENDIX B

2011 SDG&E DBE ANNUAL RESULTS - **BY ETHNICITY**

		Direct \$	Sub \$	Total \$	%
Minority Men	African American	16,013,936	8,915,307	24,929,243	1.74%
	Asian Pacific American	14,380,084	16,253,178	30,633,261	2.14%
	Hispanic American	104,671,446	67,117,871	171,789,317	11.99%
	Native American	2,720,092	390,824	3,110,916	0.22%
	Other	-	1,821,484	1,821,484	0.13%
	Total Minority Men	137,785,558	94,498,664	232,284,222	16.21%
Minority Women	African American	11,005,598	7,766,936	18,772,535	1.31%
	Asian Pacific American	8,828,706	1,155,737	9,984,443	0.70%
	Hispanic American	25,835,671	23,168,550	49,004,221	3.42%
	Native American	12,639,268	51,604	12,690,872	0.89%
	Other	144,104	380	144,484	0.01%
	Total Minority Women	58,453,346	32,143,208	90,596,555	6.32%
Total Minority Business Enterprise (MBE)		196,238,904	126,641,872	322,880,776	22.54%
Women Business Enterprise (WBE)		83,353,935	89,559,465	172,913,400	12.07%
Subtotal Women, Minority Business Enterprise (WMBE)		279,592,839	216,201,337	495,794,176	34.60%
Service-Disabled Veteran Business Enterprise (SDVBE)		23,772,974	26,710,311	50,483,285	3.52%
TOTAL WMDVBE		303,365,814	242,911,648	546,277,461	38.13%
Total Procurement \$		1,432,736,971			

APPENDIX C

2011 SDG&E DBE PROCUREMENT BY PRODUCT AND SERVICE CATEGORIES - **DIRECT**

		Products \$	%	Services \$	%	Total \$	%
Minority Men	African American	361,152	0.08%	15,652,784	1.61%	16,013,936	1.12%
	Asian Pacific American	11,058,454	2.39%	3,321,630	0.34%	14,380,084	1.00%
	Hispanic American	68,251,877	14.76%	36,419,569	3.75%	104,671,446	7.31%
	Native American	-	0.00%	2,720,092	0.28%	2,720,092	0.19%
	Other	-	0.00%	-	0.00%	-	0.00%
	Total Minority Men	79,671,483	17.23%	58,114,075	5.99%	137,785,558	9.62%
Minority Women	African American	-	0.00%	11,005,598	1.13%	11,005,598	0.77%
	Asian Pacific American	6,072,690	1.31%	2,756,016	0.28%	8,828,706	0.62%
	Hispanic American	21,328,218	4.61%	4,507,453	0.46%	25,835,671	1.80%
	Native American	-	0.00%	12,639,268	1.30%	12,639,268	0.88%
	Other	26,781	0.01%	117,322	0.01%	144,104	0.01%
	Total Minority Women	27,427,689	5.93%	31,025,658	3.20%	58,453,346	4.08%
Total Minority Business Enterprise (MBE)		107,099,172	23.16%	89,139,732	9.19%	196,238,904	13.70%
Women Business Enterprise (WBE)		25,022,819	5.41%	58,331,116	6.01%	83,353,935	5.82%
Subtotal Women, Minority Business Enterprise (WMBE)		132,121,992	28.57%	147,470,848	15.20%	279,592,839	19.51%
Service-Disabled Veteran Business Enterprise (SDVBE)		1,731,578	0.37%	22,041,396	2.27%	23,772,974	1.66%
TOTAL WMDVBE		133,853,569	28.94%	169,512,244	17.47%	303,365,814	21.17%
Total Products Procurement \$		462,522,716					
Total Services Procurement \$		970,214,256					
Total Procurement \$		1,432,736,971					

APPENDIX D

2011 SDG&E DBE PROCUREMENT BY PRODUCT AND SERVICE CATEGORIES - **SUBCONTRACTING**

		Products \$	%	Services \$	%	Total \$	%
Minority Men	African American	470,425	0.10%	8,444,882	0.87%	8,915,307	0.62%
	Asian Pacific American	9,133,428	1.97%	7,119,750	0.73%	16,253,178	1.13%
	Hispanic American	5,823,210	1.26%	61,294,661	6.32%	67,117,871	4.68%
	Native American	382,077	0.08%	8,747	0.00%	390,824	0.03%
	Other	-	0.00%	1,821,484	0.19%	1,821,484	0.13%
	Total Minority Men	15,809,140	3.42%	78,689,524	8.11%	94,498,664	6.60%
Minority Women	African American	-	0.00%	7,766,936	0.80%	7,766,936	0.54%
	Asian Pacific American	-	0.00%	1,155,737	0.12%	1,155,737	0.08%
	Hispanic American	22,200,819	4.80%	967,731	0.10%	23,168,550	1.62%
	Native American	8,145	0.00%	43,459	0.00%	51,604	0.00%
	Other	-	0.00%	380	0.00%	380	0.00%
	Total Minority Women	22,208,964	4.80%	9,934,244	1.02%	32,143,208	2.24%
Total Minority Business Enterprise (MBE)		38,018,105	8.22%	88,623,767	9.13%	126,641,872	8.84%
Women Business Enterprise (WBE)		52,947,972	11.45%	36,611,493	3.77%	89,559,465	6.25%
Subtotal Women, Minority Business Enterprise (WMBE)		90,966,077	19.67%	125,235,260	12.91%	216,201,337	15.09%
Service-Disabled Veteran Business Enterprise (SDVBE)		1,194,381	0.26%	25,515,931	2.63%	26,710,311	1.86%
TOTAL WMDVBE		92,160,457	19.93%	150,751,190	15.54%	242,911,648	16.95%
Total Products Procurement \$		462,522,716					
Total Services Procurement \$		970,214,256					
Total Procurement \$		1,432,736,971					

2011 SDG&E PROCUREMENT BY PRODUCT CATEGORY SUMMARY

Products	Total Expenditures
14 - Mining & Quarrying Of Nonmetallic Minerals	\$292,107
20 - Food & Kindred Prods	\$12,662
23 - Apparel & Oth Finished Prods	\$278,490
24 - Lumber & Wood Prods, Exc Furniture	\$1,364,826
25 - Furniture & Fixtures	\$1,028,643
26 - Paper & Allied Prods	\$156,287
28 - Chemicals & Allied Prods	\$508,228
29 - Petroleum Refining & Related Industries	\$654,474
30 - Rubber & Misc Plastics Prods	\$1,187,056
32 - Stone, Clay, Glass & Concrete Prods	\$2,743,260
33 - Primary Metal Industries	\$9,935,523
34 - Fabricated Metal Prods, Exc Machinery	\$37,272,995
35 - Industrial & Commercial Machinery	\$11,617,345
36 - Electronic & Oth Elec Equip & Components	\$112,889,637
37 - Transportation Equip	\$7,015,746
38 - Measuring, Analyzing & Controlling Instruments	\$37,315,079
39 - Misc Manufacturing Industries	\$760,132
50 - Wholesale Trade; Durable Goods	\$199,320,065
51 - Wholesale Trade; Nondurable Goods	\$18,533,707
52 - Bldg Matls, Hardware, Garden Supply	\$253,847
55 - Automotive Dirs & Gasoline Service Stations	\$13,449,477
57 - Home Furniture, Furnishings & Equip	\$3,404,541
58 - Eating & Drinking Places	\$1,606,533
59 - Misc Retail	\$922,055
TOTAL PRODUCTS PROCUREMENT	\$462,522,716

2011 SDG&E DBE PROCUREMENT BY PRODUCT CATEGORY DETAIL

Products	African American		Asian American		Hispanic American		Native American		Other		Total Minority		Minority Business Enterprise (MBE)		Women Business Enterprise (WBE)		Women, Minority Business Enterprise (MWBE)		Service-Disabled Veteran Business Enterprise (SDVBE)		Total MWBE		Total	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women		
14 - Mining & Quarrying of Nonmetallic Minerals	147,531	-	-	-	-	-	-	-	-	-	147,531	-	147,531	-	-	-	-	-	-	-	-	147,531	292,107	
20 - Food & Kindred 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%	0.00%	0.00%	0.00%	0.00%	0.00%	12,662	
23 - Apparel & Other Finished Prods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	278,490	
24 - Lumber & Wood Prods, Exc Furniture	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%	0.00%	0.00%	0.00%	0.00%	0.00%	1,364,826	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	1,028,643	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	156,287	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	508,228	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	654,474	
30 - Rubber & Misc. Plastics Prods	0.00%	0.00%	0.00%	0.00%	1.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,187,056	
32 - Stone, Clay, Glass & Concrete 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%	0.00%	0.00%	0.00%	0.00%	0.00%	2,743,260	
33 - Primary Metal Industries	0.00%	0.00%	71.628	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	73.984	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9,935,523	
34 - Fabricated Metal Prods, Exc Machinery	268,812	-	144,628	-	224,268	-	379,395	-	81,45	-	1,017,103	8,145	1,025,248	3,018,263	4,043,510	74,13%	74,13%	18,40%	18,40%	21,900	790,248	4,043,510	37,275,995	
35 - Industrial & Commercial Machinery	0.00%	0.00%	0.00%	0.00%	530,171	-	0.00%	0.00%	0.00%	0.00%	530,171	-	530,171	1,2726	547,447	4,71%	4,71%	0.00%	0.00%	0.00%	0.00%	0.00%	11,617,345	
36 - Electronic & Other Electric Equip & Components	0.00%	0.00%	5.55%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6,281,406	1,697,099	1,50%	1,50%	7.08%	7.08%	0.15%	0.15%	0.15%	0.15%	112,889,637	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7,015,746	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	37,315,079	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	760,132	
50 - Wholesale Trade, Durable Goods	156,820	-	13,675,281	6,072,990	68,366,330	43,487,421	-	-	-	-	82,198,932	49,560,111	131,759,043	52,952,188	184,711,231	1,026,075	1,026,075	0.00%	0.00%	0.00%	0.00%	0.00%	199,320,065	
51 - Wholesale Trade, Nondurable Goods	4,127	-	38,939	-	365,601	-	-	-	-	-	408,667	-	408,667	13,067,900	13,476,567	1,530,056	1,530,056	0.51%	0.51%	0.00%	0.00%	0.00%	15,006,623	
52 - Building Materials, Hardware, Garden Supply	0.00%	0.00%	0.00%	0.00%	1.97%	0.00%	0.00%	0.00%	0.00%	0.00%	2,20%	0.00%	2,20%	70,51%	72,71%	8,28%	8,28%	0.00%	0.00%	0.00%	0.00%	0.00%	18,533,707	
55 - Motor Vehicle Parts & Gasoline Service Stations	0.00%	0.00%	0.00%	0.00%	4,335,994	-	2,662	-	-	-	4,538,676	-	4,538,676	2,326,320	6,864,996	-	6,864,996	0.00%	0.00%	0.00%	0.00%	0.00%	25,384,7	
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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13,444,477	
58 - Eating & Drinking Places	254,236	-	-	-	-	-	-	-	-	-	26,781	254,286	26,781	281,067	7,060	288,127	75,34%	75,34%	0.00%	0.00%	0.00%	0.00%	1,606,533	
59 - Misc. Retail	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%	0.00%	0.00%	0.00%	0.00%	0.00%	922,055	
TOTAL PRODUCTS PROCUREMENT	831,577	-	20,191,882	6,072,990	74,075,087	43,529,037	382,077	81,45	-	26,781	95,480,623	49,636,653	145,117,277	77,970,792	223,088,068	2,925,958	2,925,958	0.63%	0.63%	0.00%	0.00%	0.00%	0.00%	462,522,716

2011 SDG&E PROCUREMENT BY SERVICE CATEGORY SUMMARY

Services	Total Expenditures
07 - Agricultural Svcs	\$28,204,913
13 - Oil & Gas Extraction	\$535,333
15 - Bldg Const-General Contractors	\$39,687,183
16 - Heavy Const Oth Than Bldg Const-Contractors	\$304,507,022
17 - Const-Special Trade Contractors	\$146,153,178
27 - Printing, Publishing & Allied Industries	\$1,140,209
42 - Motor Freight Transportation & Warehousing	\$15,214,240
45 - Transportation By Air	\$15,045,218
47 - Transportation Svcs	\$17,018,829
48 - Communications	\$498,680
49 - Electric, Gas & Sanitary Svcs	\$1,476,222
60 - Depository Institutions	\$1,260,714
62 - Security & Commodity Brokers, Dlrs, Exchanges	\$7,646,539
63 - Insurance Carriers	\$117,008
64 - Insurance Agents, Brokers & Service	\$1,082,641
65 - Real Estate	\$931,806
72 - Personal Svcs	\$963,918
73 - Business Svcs	\$117,176,918
75 - Automotive Repair, Svcs & Parking	\$980,228
76 - Misc Repair Svcs	\$4,469,885
80 - Health Svcs	\$604,507
81 - Legal Svcs	\$40,855,274
82 - Educational Svcs	\$533,790
83 - Social Svcs	\$495,250
87 - Engrg, Accounting, Research, Mgmt & Related	\$183,803,034
89 - Svcs, Not Elsewhere Classified	\$39,243,195
99 - Nonclassifiable Establishments	\$568,523
TOTAL SERVICES PROCUREMENT	\$970,214,256

2011 SDG&E DBE PROCUREMENT BY SERVICE CATEGORY DETAIL

Services	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 WMBE	Total
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women		
07 - Agricultural Svcs	121,750	-	-	-	4,675	-	-	-	-	-	126,425	-	126,425	1,264,196	1,390,622	-	-	-	-	-	1,390,622	28,204,913
13 - Oil & Gas Extraction	0.43%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.45%	0.00%	0.45%	4,488	4,938	0.00%	0.00%	0.00%	0.00%	0.00%	4,938	535,333
15 - Bldg Const-General Contractors	0.00%	0.00%	0.00%	0.00%	6,090,549	-	-	-	-	-	6,090,549	-	6,090,549	9,482,426	15,712,975	5,048,704	20,621,679	20,621,679	12,72%	12,72%	51,968	39,687,183
16 - Heavy Const Qtr Than Bldg Const-Contractors	0.00%	0.00%	0.00%	0.00%	15,35%	0.00%	0.00%	0.00%	0.00%	0.00%	15,35%	0.00%	15,35%	23,89%	39,24%	5,578,586	50,307,677	50,307,677	12,72%	12,72%	51,968	304,507,022
17 - Const-Special Trade Contractors	0.00%	0.00%	0.00%	0.00%	32,055,633	-	-	-	-	-	32,055,633	-	32,055,633	12,673,458	14,66%	5,778,091	16,52%	16,52%	0.00%	0.00%	16,52%	146,153,178
27 - Printing, Publishing & Allied Industries	0.00%	0.00%	0.00%	0.00%	10,53%	0.00%	0.00%	0.00%	0.00%	0.00%	10,53%	0.00%	10,53%	19,342,388	13,23%	19,342,388	77,562,286	14,400,661	9,86%	62,91%	1,140,209	
42 - Major Freight Transportation & Warehousing	0.00%	0.00%	0.00%	0.00%	2,009,050	-	-	-	-	-	2,009,050	-	2,009,050	18,173	13,32%	71,89%	71,89%	85,21%	0.00%	0.00%	85,21%	15,214,240
45 - Transportation By Air	5,160,530	-	-	-	1,406,052	-	-	-	-	-	5,160,530	-	5,160,530	1,406,052	43,65%	50,53%	94,18%	94,18%	0.00%	0.00%	94,18%	15,045,218
47 - Transportation Svcs	34,30%	0.00%	0.00%	0.00%	9,33%	0.00%	0.00%	0.00%	0.00%	0.00%	34,30%	0.00%	34,30%	8,668,863	7,593,978	16,262,842	64,009	16,326,851	0.38%	95,93%	17,018,829	
48 - Communications	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%	0.00%	0.00%	0.00%	498,680	
49 - Electric, Gas & Sanitary Svcs	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%	0.00%	0.00%	0.00%	495,707	
60 - Depository Institutions	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%	0.00%	0.00%	0.00%	33,58%	1,476,222
62 - Security & Community Brokers, Dis. Exchanges	1,018,209	-	8,429	158,090	107,881	-	-	-	-	-	1,133,919	158,090	1,292,009	-	1,292,009	76,726	1,368,734	76,726	1,00%	1,00%	17,90%	7,646,539
63 - Insurance Carriers	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%	0.00%	0.00%	0.00%	11,7008	
64 - Insurance Agents, Brokers & Service	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%	0.00%	0.00%	0.00%	437,532	
65 - Real Estate	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%	0.00%	0.00%	0.00%	40,41%	1,082,641
72 - Personal Svcs	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%	0.00%	0.00%	0.00%	56,10%	931,806
73 - Business Svcs	1,722,487	18,323,330	1,668,084	2,276,519	3,553,509	428,392	8,747	3,125	-	-	6,952,826	21,031,366	27,994,192	12,902,855	40,887,047	1,569,651	42,556,697	1,569,651	1,34%	1,34%	36,23%	117,176,918
75 - Automotive Repair, Svcs & Parking	0.00%	0.00%	0.00%	0.00%	13,971	-	-	-	-	-	13,971	-	13,971	590	14,561	1,45%	14,561	1,45%	0.00%	0.00%	1,45%	980,228
76 - Misc Repair Svcs	0.00%	0.00%	0.00%	0.00%	2,912,007	-	-	-	-	-	2,912,007	-	2,912,007	65,15%	65,15%	0.00%	65,15%	65,15%	0.00%	0.00%	65,15%	4,469,885
80 - Health Svcs	0.00%	0.00%	0.00%	0.00%	198,515	-	-	-	-	-	198,515	-	198,515	32,84%	32,84%	0.00%	32,84%	32,84%	0.00%	0.00%	32,84%	604,507
81 - Legal Svcs	0.00%	0.00%	0.00%	0.00%	408,125	46,298	9,763	-	-	-	46,298	41,888	464,186	2,057,911	2,522,097	2,522,097	6,17%	6,17%	0.00%	0.00%	6,17%	40,855,274
82 - Educational Svcs	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%	0.00%	0.00%	0.00%	533,790	
83 - Social Svcs	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%	0.00%	0.00%	0.00%	495,250	
87 - Engrg, Accounting, Research, Mgmt & Related	4,576	39,670	3,152,380	1,050,218	6,794,883	562,596	2,540,553	-	8,125	9,627	13,100,518	1,662,111	14,762,629	12,990,128	27,752,757	8,604,064	36,356,821	8,604,064	4,68%	4,68%	19,78%	183,800,034
89 - Svcs, Not Elsewhere Classified	0.00%	0.00%	0.00%	0.00%	391,743	186,627	962,922	192,565	1,813,359	0.00%	3,168,095	379,192	3,547,287	2,979,700	6,526,987	17,660,867	24,207,854	17,660,867	45,05%	45,05%	61,69%	392,43,195
99 - Nonclassifiable Establishments	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%	0.00%	0.00%	0.00%	52,27%	568,523
TOTAL SERVICES PROCUREMENT	24,097,666	18,772,533	10,441,379	3,911,733	97,714,230	5,475,184	2,728,839	12,685,727	1,821,484	117,702	136,603,598	40,959,901	177,763,500	94,942,608	272,706,108	47,557,327	320,263,435	47,557,327	4,90%	4,90%	33,01%	970,214,256

