

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking into)
Implementation of Public Utilities Code)
Sections 8281-8285 relating to Women)
Minority - Disabled Veteran)
Business Enterprises)
_____)

**LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
UTILITY SUPPLIER DIVERSITY PROGRAM REPORT
FOR CALENDAR YEAR 2017**

March 1, 2018

**Liberty Utilities (CalPeco Electric) LLC
2017 Annual Report & 2018 Annual Plan**

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ANNUAL REPORT

This filing, in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156 Sections 9 and 10 and Decision 88-04-057, as modified by Decision Nos. 88-09-024, 89-08-041, 90-11-053, 90-12-027, 92-06-030, 95-12-045, 96-12-081, 98-11-030, 03-11-024, 05-12-023, 06-08-031, includes the 2017 Annual Report of Liberty Utilities (CalPeco Electric) LLC (“Liberty CalPeco”), and 2018 Annual Plan of Utility Supplier Diversity Program. The annual report describes the program activities and results achieved by Liberty CalPeco for the period January 1 through December 31, 2017.

INTRODUCTION AND EXECUTIVE SUMMARY

Liberty CalPeco is an investor-owned corporation with operating subsidiaries engaged in energy and utility services. The Service Area for which electricity will be served by Liberty CalPeco is serving more than 49,000 customers in the Lake Tahoe basin. Liberty CalPeco supplies electric distribution service in portions of the counties of Nevada, Placer, Sierra, Plumas, Eldorado, Mono, and Alpine in the State of California.

Summary of Results:

Liberty Utilities spent \$4.9 million with diverse business enterprises. This represents a decrease of \$3.2 million from the amount spent with diverse business in 2016.

Sec. 9.1.1 – Description of Utility Supplier Diversity Program activities engaged in during the previous calendar year. This description shall include both internal and external activities.

Internal Activities

The Liberty CalPeco Supplier Diversity Policy that was written and implemented effective January, 2011 is formally reviewed on an annual basis for regulatory consistency and updated accordingly. Liberty CalPeco's Purchasing Department continues to actively identify which active and current suppliers fall within Liberty's Supplier Diversity Policy. To this end, Liberty CalPeco's Purchasing Department developed and distributed a diversity questionnaire to all existing and new suppliers. All new suppliers are presented with the questionnaire as part of the qualification packet. These efforts confirm the Supplier Diversity status of many of Liberty CalPeco suppliers and also identify uncertified suppliers as we reach out with information to become certified. The group of existing uncertified suppliers continues to be the primary focus of Liberty CalPeco 2017 Supplier Mentoring Program. The Purchasing Department routinely checks The Supplier Clearinghouse in order to bid within a more diverse group. The Purchasing Department continues to include a brief outline of Liberty CalPeco's diversity policy on the back of their business cards. Other departments continue to follow this practice and it has allowed Liberty CalPeco staff to continue to engage vendors in meaningful conversation regarding the program's benefits.

External Activities

The Liberty CalPeco's management team continues to use their affiliation with local community business groups (Rotary, Elks Club, etc.) as an opportunity to educate local businesses about General Order 156 as well as Liberty CalPeco's Supplier application process. Business relationships at these events were initiated and communications regarding future engagements are on-going.

Sec. 9.1.2 – Utility Supplier Diversity Program Annual Results – Statistical Reports Totals

CAT	\$\$\$	Description
DVBE	\$34,353	Disable Vet Bus. Ent.
DVBE & MBE-NAM	\$44,048	Native American
MBE	\$70,399	General Minority Bus. Ent.
MBE-AAM	\$68,405	Asian American
MBE-BAM CERT	\$73,014	Black American
MBE-HAM CERT	\$2,451,309	Hispanic American
MBE-HAM NO CERT	\$103,970	Hispanic American
SBE	\$4,202	Small Business
WBE	\$756,160	Womens Bus. Ent.
WBE (No Cert)	\$9,477	Womens Bus. Ent.
WBE CERT	\$966,355	Womens Bus. Ent.
WBE NO CERT	\$263,847	Womens Bus. Ent.
WBESub W/Pac Util	\$28,190	Womens Bus. Ent. - Sub
WBE-Sub W/Pac.Util	\$97,349	Womens Bus. Ent. - Sub
WMBE	\$19,136	Minority Women Bus. Ent.
TOTAL	\$4,990,216	

**Sec. 9.1.2 – Utility Supplier Diversity Program Annual Results – Statistical Reports
Direct Spending**

CAT	\$\$\$	Description
DVBE	\$34,353	Disable Vet Bus. Ent.
DVBE & MBE-NAM	\$44,048	Native American
MBE	\$70,399	General Minority Bus. Ent.
MBE-AAM	\$68,405	Asian American
MBE-BAM CERT	\$73,014	Black American
MBE-HAM CERT	\$2,451,309	Hispanic American
MBE-HAM NO CERT	\$103,970	Hispanic American
SBE	\$4,202	Small Business
WBE	\$756,160	Womens Bus. Ent.
WBE (No Cert)	\$9,477	Womens Bus. Ent.
WBE CERT	\$966,355	Womens Bus. Ent.
WBE NO CERT	\$263,847	Womens Bus. Ent.
WMBE	\$19,136	Minority Women Bus. Ent.
TOTAL	\$4,864,677	

**Sec. 9.1.2 – Utility Supplier Diversity Program Annual Results – Statistical Reports
Subcontract Spending**

CAT	\$\$\$	Description
WBESub W/Pac Util	\$28,190	Womens Bus. Ent. - Sub
WBE-Sub W/Pac.Util	\$97,349	Womens Bus. Ent. - Sub
TOTAL	\$125,539	

**Sec. 9.1.2 – Utility Supplier Diversity Program Annual Results – Statistical Reports
Number of Suppliers and Revenue and Payment Data**

# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$ 9	\$ 30	\$ -	\$ 3	\$ 1	\$ 43
Under \$5 million	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1
Under \$10 million	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Above \$10 million	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 10	\$ 30	\$ -	\$ 3	\$ 1	\$ 44

WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1 million	\$ 321,288	\$ 2,140,515	\$ -	\$ 78,401	\$ 4,202	\$ 2,544,406
Under \$5 million	\$ 2,445,809	\$ -	\$ -	\$ -	\$ -	\$ 2,445,809
Under \$10 million	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Above \$10 million	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 2,767,097	\$ 2,140,515	\$ -	\$ 78,401	\$ 4,202	\$ 4,990,215

Sec. 9.1.3 – Itemization of Program Expenses

Section data not available for current year reporting.

Sec. 9.1.4 – Description of progress in meeting or exceeding set goals and an explanation of any circumstances that may have caused the utility to fall short of its goals.

Section data not available for current year reporting.

Sec. 9.1.5 – A summary of prime contractor utilization of WMDVBE subcontractors.

Section data not available for current year reporting.

Sec. 9.1.6 – List of diverse supplier complaints received during the past year, accompanied by a brief description of the nature of each complaint and its resolution or current status.

Section data not available for current year reporting.

Sec. 9.1.7 – A summary of purchases and /or contracts for products and services in excluded categories.

Section data not available for current year reporting.

Sec. 9.1.8 – Description of any efforts made to recruit diverse suppliers of products or services in procurement categories where diverse supplier utilization has been low, such as legal and financial services, fuel procurement, and areas that are considered highly technical in nature.

Section data not available for current year reporting.

Sec. 9.1.9 – Justification for continued existence of any “excluded category”.

Liberty continues to strive to achieve relationships across all categories.

Sec 9.1.11– General Fuel Procurement

Section data not available for current year reporting.

Sec. 10.1.1 – WMDVBE Annual Short-, Mid- and Long-Term Goals

Section data not available for current year reporting.

Sec. 10.1.2 – Description of Utility Supplier Diversity Program planned for the next calendar year, internal/external program activities.

For 2018, Supplier Diversity’s plans include the following strategies to strengthen the program’s results:

- Maintain implemented policies and processes that strengthen the alignment of strategic sourcing, Supplier Diversity, and Supply Chain Management.
- Educate and recruit all Liberty CalPeco employees by including Supplier Diversity awareness in monthly meeting agendas.

- Communicate Supplier Diversity's plans and goals to key customers and business units to facilitate win-win outcomes.
- Utilize developed processes to maximize participation of diverse suppliers for commodities identified to be competitively bid.
- Continue to promote Liberty CalPeco's Supplier Diversity Program goals at local and regional group meetings and functions.
- Mentor existing non-certified suppliers on The Supplier Clearinghouse certification process.

Sec. 10.1.3 – Plans for recruiting diverse suppliers of products or services where diverse supplier utilization has been low or were listed as excluded, such as legal and financial services, fuel procurement, areas considered highly technical in nature, and sole sourcing (transformers, cable/wire).

Procurement will leverage the additional supplier diversity champions achieved from within the non-traditional areas of spend to champion and communicate Supplier Diversity's goals and strategies within their departments.

Additional plans include:

- Continuing to partner with leadership to plan and develop strategies for increasing the utilization of diverse suppliers.
- Continuing to execute best practices within our supply chain and strategic sourcing strategies to identify commodities where diverse suppliers exist, but are underutilized within the company.
- Increasing emphasis of our company's expectations of inclusion and opportunity during pre- and post-award bid meetings.
- Reviewing sole source awards and where possible seeking to competitively bid as new suppliers enter the market or internal requirements are modified, thus increasing the opportunities for qualified diverse suppliers to receive an opportunity to bid.
- Continuing to leverage the successes of our sister California companies, Park Water and Apple Valley Water to glean the best practices from these additional resources to better utilize diverse suppliers, especially where we currently fall short of our goals, such as the DVBE and LGBTBE categories.

Sec. 10.1.4 – Plans for recruiting Diverse Vendors Where Unavailable.

- Liberty CalPeco continues to identify opportunities to convert discretionary spend to Diverse Vendors as new Diverse Vendors come on line with Supplier Clearinghouse. In addition, we continue to attend community events and tabletops to identify diverse suppliers for goods and services.

Sec. 10.1.5 – Plans for encouraging both prime contractors and grantees to engage diverse suppliers in all categories which provide subcontracting opportunities.

Liberty CalPeco urges its prime contractors to include women, minority, and disabled veteran business enterprises for subcontracting opportunities. Although the award of any subcontracting activities rests in the final discretion of the prime contractor, Procurement will work closely with its prime contractors in helping to identify specific commodities within Liberty CalPeco projects where there are known diverse suppliers for inclusion, making accessible our listing of approved diverse contractors, and advocating for diverse supplier inclusion to the maximum extent possible.

Sec. 10.1.6 – Plans for complying with the Utility Supplier Diversity Program established by the Commission as required by Public Utilities Sections 8283 (c). The Executive Director’s Office will be responsible for developing, periodically refining, and recommending such guidelines for the Commission’s adoption.

Liberty CalPeco will continue to comply with General Order 156 and its guidelines and requirements as well as continue to work with the Commission and its staff and the California Joint Utilities Group in pursuing new strategies to continually advance the Utility Supplier Diversity Program objectives. Liberty will comply with all revisions of General Order 156 and all other requirements of the CPUC.