

**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 (U 933-E)
UTILITY SUPPLIER DIVERSITY PROGRAM REPORT
FOR CALENDAR YEAR 2013**

March 3, 2014

**Liberty Utilities (CalPeco Electric) LLC (U 933-E)
2013 Annual Report & 2014 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. This filing includes the 2013 Annual Report of Liberty Utilities (CalPeco Electric) LLC (“Liberty Utilities”), and 2014 Annual Plan of Utility Supplier Diversity Program. The annual report describes the program activities and results achieved by Liberty Utilities for the period January 1 through December 31, 2013.

INTRODUCTION AND EXECUTIVE SUMMARY

Liberty Utilities 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 Utilities is serving more than 46,000 customers primarily in the Lake Tahoe basin. Liberty Utilities 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 Calendar Year 2013 Results:

- Liberty Utilities achieved a Diverse Spend of 24.67% spend with verified diverse business enterprises.
- Liberty Utilities spent \$4.1 mln with diverse business enterprises. This level of expenditures represents an increase of \$592,712 or 14.26% in 2013 as compared to 2012. The increase can be attributed on-going vendor and employee educational efforts.

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

Liberty Utilities 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 Utilities' Purchasing Department is actively identifying which active and current suppliers fall within Liberty's Supplier Diversity Policy. For these purposes, Liberty Utilities Purchasing Department developed and distributed a diversity questionnaire to all existing and new suppliers. The mailing campaign in 2013 focused on re-educating our existing suppliers that didn't return a questionnaire in the prior year. 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 Utilities 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 Utilities 2014 Supplier Mentoring Program. The Purchasing Department routinely checks The Supplier Clearinghouse in order to bid within a more diverse group. Additionally, the Purchasing Department updated their business cards to include a brief outline of our diversity policy. These business cards were also distributed among the Liberty Utilities management team for use in their community presentations.

Quarterly management team presentations were presented throughout 2013. The presentations emphasized a review of General Order 156, an explanation of our 2013 goals, as well as round table discussion of attracting additional certified diverse suppliers to the program.

External Activities

The Liberty Utilities management team continues to use their affiliations with local community business groups (Rotary, Elks Club, etc.) as an opportunity to educate local businesses about General Order 156 as well as Liberty Utilities' Supplier application process.

Liberty Utilities identified and actively pursued several local and regional minority business organizations for opportunities in presentation or trade show engagements. We organized a joint corporation outreach event the "C-3." This event was an outreach to minority vendors for Northern Nevada/California which was held at Harrah's in Reno. We also participated in the En Banc public hearing in San Francisco where we reached out to Native American and Disabled Veteran vendors. Business relationships at these events were initiated and communications regarding future engagements is on-going.

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

UTILITY SUPPLIER DIVERSITY PROGRAM
ANNUAL RESULTS BY ETHNICITY

		2013			
		Direct	Sub	Total \$	%
Minority Men	Asian-Pacific			\$ -	0.00%
	Black	\$ 19,500	\$306,813	\$ 326,313	1.94%
	Hispanic	\$2,499,997		\$ 2,499,997	14.84%
	Native-American			\$ -	0.00%
	Other			\$ -	0.00%
	Total Minority Men	\$2,519,497	\$306,813	\$ 2,826,309	16.78%
Minority Women	Asian-Pacific	\$ -		\$ -	0.00%
	Black			\$ -	0.00%
	Hispanic			\$ -	0.00%
	Native-American			\$ -	0.00%
	Other			\$ -	0.00%
	Total Minority Women	\$ -	\$ -	\$ -	0.00%
Total Minority Business Enterprise (MBE)		\$2,519,497	\$306,813	\$ 2,826,309	16.78%
Women Business Enterprise (WBE)		\$ 1,329,018	\$ -	\$ 1,329,018	7.89%
Subtotal Women, Minority Business Enterprise (MWBE)		\$ 3,848,515	\$306,813	\$ 4,155,327	24.67%
Service Disabled Veteran Business Enterprise (DVBE)		\$ -	\$ -	\$ -	0.00%
TOTAL WMDVBE		\$ 3,848,515	\$306,813	\$ 4,155,327	24.67%

*Totals may not sum due to rounding.

Gross Procurement	\$	16,845,383
Exclusions	\$	-
Net Procurement	\$	16,845,383

**UTILITY SUPPLIER DIVERSITY PROGRAM
ANNUAL RESULTS BY DIRECT PRODUCT AND SERVICE CATEGORIES**

			2013					
			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Black	Direct	\$ -	0.00%	\$ 19,500	0.18%	\$ 19,500	0.12%
	Hispanic	Direct	\$ -	0.00%	\$ 2,499,997	23.56%	\$ 2,499,997	14.84%
	Native-American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Other	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Total Minority Men	Direct	\$ -	0.00%	\$ 2,519,497	23.74%	\$ 2,519,497	14.96%
Minority Women	Asian-Pacific	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Black	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Hispanic	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Native-American	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Other	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Total Minority Women	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%

Total Minority Business Enterprise (MBE)	Direct	\$ -	0.00%	\$ 2,519,497	23.74%	\$ 2,519,497	14.96%
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Women Business Enterprise (WBE)	Direct	\$ 153,744	2.47%	\$ 1,175,274	11.07%	\$ 1,329,018	7.89%
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Total Women, Minority Business Enterprise (MWBE)	Direct	\$ -	0.00%	\$ -	0.00%	\$ 3,848,515	22.85%
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Service Disabled Veteran Business Enterprise (DVBE)	Direct	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
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TOTAL WMDVBE	Direct	\$ -	0.00%	\$ -	0.00%	\$ 3,848,515	22.85%
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*Totals may not sum due to rounding.

Gross Procurement	\$ 16,845,383
Exclusions	\$ -
Net Procurement	\$ 16,845,383

Total Product Procurement	\$ 6,232,792
Total Service Procurement	\$ 10,612,591
Net Procurement	\$ 16,845,383

Percentage for "Products" expenditures are compared to "Total Product Procurement" expenditures.

Percentage for "Services" expenditures are WMDVBE compared to "Total Service Procurement" expenditures.

Percentage for "Total" expenditures are WMDVBE compared to "Net Procurement" expenditures.

**UTILITY SUPPLIER DIVERSITY PROGRAM
PROCUREMENT BY SUB PRODUCT AND SERVICE CATEGORIES**

			2013					
			Products		Services		Total	
			\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Black	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Hispanic	Sub	\$ -	0.00%	\$ 306,813	0.00%	\$ -	0.00%
	Native-American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Other	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Total Minority Men	Sub	\$ -	0.00%	\$ 306,813	0.00%	\$ 306,813	1.82%
Minority Women	Asian-Pacific	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Black	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Hispanic	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Native-American	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Other	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
	Total Minority Women	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Total Minority Business Enterprise (MBE)	Sub	\$ -	0.00%	\$ 306,813	0.00%	\$ 306,813	1.82%	
Women Business Enterprise (WBE)	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
Total Women, Minority Business Enterprise (MWBE)	Sub	\$ -	0.00%	\$ 306,813	0.00%	\$ 306,813	1.82%	
Service Disabled Veteran Business Enterprise (DVBE)	Sub	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	
TOTAL WMDVBE	Sub	\$ -	0.00%	\$ 306,813	0.00%	\$ 306,813	1.82%	

*Totals may not sum due to rounding.

Gross Procurement	\$ 16,845,383
Exclusions	\$ -
Net Procurement	\$ 16,845,383

Total Product Procurement	\$ 6,232,792
Total Service Procurement	\$ 10,612,591
Net Procurement	\$ 16,845,383

Percentage for "Products" expenditures are WMDVBE compared to "Total Product Procurement" expenditures.

Percentage for "Services" expenditures are WMDVBE compared to "Total Service Procurement" expenditures.

Percentage for "Total" expenditures are WMDVBE compared to "Net Procurement" expenditures.

**UTILITY SUPPLIER DIVERSITY PROGRAM
ANNUAL RESULTS BY SUPPLIERS' GROSS REVENUE SIZE**

	Data on Number of Suppliers							
	Revenue Reported to Clearinghouse (2)				2013 Summary - Liberty Utilities			
# WMDVBEs	DVBE ⁽¹⁾	MBE	WBE	Grand Total	DVBE	MBE	WBE	Grand Total
Under \$1 million	0	2	3	5	0	2	3	5
Under \$5 million	0	0	2	2	0	0	2	2
Under \$10 million	0	0	1	1	0	0	1	1
Above \$10 million	0	2	1	3	0	2	1	3
Total	0	4	7	11	0	4	7	11

	Revenue and Payment Data							
	Revenue Reported to Clearinghouse (2)				2013 Summary - CalPeco			
WMDVBE \$\$	DVBE ⁽¹⁾	MBE	WBE	Grand Total	DVBE	MBE	WBE	Grand Total
Under \$1 million	\$ -	\$ 552,625	\$ 273,910	\$ 826,535	\$ -	\$ 25,000	\$ 1,150,274	\$ 1,175,274
Under \$5 million	\$ -	\$ -	\$ 3,276,354	\$ 3,276,354	\$ -	\$ -	\$ 45,663	\$ 45,663
Under \$10 million	\$ -	\$ -	\$ 6,935,108	\$ 6,935,108	\$ -	\$ -	\$ 39,242	\$ 39,242
Above \$10 million	\$ -	\$ 170,077,000	\$ 12,000,000	\$ 182,077,000	\$ -	\$ 2,801,309	\$ 93,839	\$ 2,895,148
Total	\$ -	\$ 170,629,625	\$ 22,485,372	\$ 193,114,997	\$ -	\$ 2,826,309	\$ 1,329,018	\$ 4,155,327

(1) Disabled Veteran Business Enterprise Gross Revenue not available through California Clearinghouse.

(2) Revenue Reported to Clearinghouse is as of the supplier's last re-certification and may not be representative of 2013 activity.

Judy – change CalPeco to Liberty Utilities

UTILITY SUPPLIER DIVERSITY PROGRAM PROCUREMENT BY SIC CATEGORIES - DETAIL

Line #	SIC CATEGORY	Asian-Pacific		Black		Hispanic		Native-American		Other		Total Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Subtotal Women Minority Veterans Business Enterprise (WMBE)	Service Disabled Veterans Business Enterprise (DVBE)	Total WMDVBE	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
1	07 Agricultural Services	\$ -	\$ -	\$ -	\$ -	\$2,494,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,494,497	\$ -	\$2,494,497	\$ -	\$2,494,497	
2		% 0.00%	0.00%	0.00%	0.00%	14.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.81%	0.00%	14.81%	0.00%	14.81%	
3	17. Special Trade Contractors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4		% 0%	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%	
9	28. Chemicals & Allied Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10		% 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	30. Rubber & Misc. Plastic Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12		% 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	32. Stone, Clay & Glass Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
14		% 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%	
15	35. Industrial Machinery & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16		% 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%	
17	36. Electronic & Other Electric Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18		% 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%	
19	47. Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20		% 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%	
21	50. Wholesale Trade - Durable Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
22		% 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%	
23	51. Wholesale Trade - Nondurable Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24		% 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%	
23	62. Sec & Commodity Brokers & Dealers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24		% 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%	
25	73. Business Services	\$ -	\$ -	\$326,313	\$ -	\$5,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$331,813	\$ -	\$331,813	\$ -	\$331,813	
26		% 0.00%	0.00%	1.94%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.97%	0.00%	1.97%	0.00%	1.97%	
27	87. Engineering & Management Services	\$ -	\$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,175,274	\$1,175,274	\$ -	\$1,175,274	
28		% 0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.98%	6.98%	6.98%	0.00%	6.98%	
29	TOTAL	\$ -	\$ -	\$326,313	\$ -	\$2,499,997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,826,309	\$1,329,018	\$4,155,327	\$ -	\$4,155,327	
30		% 0.00%	0.00%	1.94%	0.00%	14.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.78%	7.89%	24.67%	0.00%	24.67%	
*Totals may not sum due to rounding.																			
31	Gross Product Procurement	\$16,845,383																	
32	Exclusions	\$ -																	
33	Net Product Procurement	\$16,845,383																	
34	Only Relevant SIC Categories are listed.																		
35	Percentages are WMDVBE expenditures compared to total expenditures for each product category.																		

Sec. 9.1.3 – An itemization of WMDVBE Program Expenses.

UTILITY SUPPLIER DIVERSITY PROGRAM EXPENSES

Expense Categories		2013 Actual \$
Wages	\$	4,934
Benefits	\$	3,355
Program Expenses	\$	1,794
Advertising	\$	-
Training	\$	-
Consultants	\$	839
Other (Clearinghouse)	\$	1,244
Total	\$	12,167

Wages: Salary and payroll-related costs of employees working on Utility Supplier Diversity Program Matters.

Benefits: Benefit costs related to employment such as insurance, retirement and vacation for employees working on Utility Supplier Diversity Program matters.

Program Expenses: Costs directly related to training internal and external.

Advertising: Costs related to advertise this program submitted to journals, newspaper, and magazines.

Training: Costs related to training internal and external.

Consultants: Costs of hiring consultants to assist with the Utility Supplier Diversity Program.

Other: Costs that do not fit in another category as in Clearinghouse payments.

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.

**UTILITY SUPPLIER DIVERSITY PROGRAM
RESULTS COMPARISON**

Category	2013 Results	2013 Target
Minority Men	16.78%	
Minority Women	0.00%	
Minority Business Enterprise (MBE)	16.78%	8.50%
Women Business Enterprise (WBE)	7.89%	7.50%
Subtotal Women, Minority Business Enterprise (WMBE)	24.67%	16.00%
Service Disabled Veteran Business Enterprise (DVBE)	0.00%	0.50%
Total WMDVBE	24.67%	16.50%

In 2013, Liberty Utilities spent 24.67% with diverse businesses. Liberty Utilities exceeded the Minority Business Enterprise (MBE) target of 8.5% due primarily to an increase spend in tree trimming services. Liberty Utilities did not meet the Service Disabled Veteran Business Enterprise (DVBE) target. Although, we actively sought out suppliers in this category, we were not able to transact business with them due to either a mismatch in services or no additional work available in their service type. Our marketing efforts and use of the Clearinghouse will be vital to improve our DVBE 2014 results.

The table below shows the trend in procurement dollars and WMDVBE spend:

**UTILITY SUPPLIER DIVERSITY PROGRAM
ANNUAL SPENDING**

Category	2012	2013
Total Procurement \$	\$ 15,058,026	\$ 16,845,383
% change		10.61%
Total WMDVBE \$	\$ 3,562,615	\$ 4,155,327
% change		14.26%

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

	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service Disabled Veterans Business Enterprise (DVBE)	TOTAL WMDVBE
Direct \$	\$ 2,519,497	\$ -	\$ 2,519,497	\$ 1,329,018	\$ 3,848,515	\$ -	\$ 3,848,515
Subcontracting \$	\$ 306,813	\$ -	\$ 306,813	\$ -	\$ 306,813	\$ -	\$ 306,813
Total	\$ 2,826,309	\$ -	\$ 2,826,309	\$ 1,329,018	\$ 4,155,327	\$ -	\$ 4,155,327

Direct %	14.96%	0.00%	14.96%	7.89%	22.85%	0.00%	22.85%
Subcontracting %	1.82%	0.00%	1.82%	0.00%	1.82%	0.00%	1.82%
Total %	16.78%	0.00%	16.78%	7.89%	24.67%	0.00%	24.67%

*Totals may not sum due to rounding.

Gross Procurement	\$16,845,383
Exclusion	
Net Procurement	\$16,845,383

Our two largest WMDVBE suppliers utilize subcontractors. One of the suppliers has Liberty Utilities remit payment directly to the subcontractor while the other supplier processes the subcontractor payment. In the case where Liberty Utilities pays the subcontractor directly, the payment information is readily available for statistical reporting and is included in the 2013 statistical reports. Liberty Utilities continues to educate our existing vendors on our need to track subcontractor utilization. This issue will remain a focus throughout 2014 so a manageable data gathering process can be determined.

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.

No complaints were filed with Liberty Utilities or with the California Public Utilities Commission regarding Liberty Utilities with respect to minority hiring during 2013.

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

Liberty Utilities' total 2013 accounts payable activity totaled approximately \$76.9 mln. The majority of our accounts payable activity is concentrated with Sierra Pacific Power Company and our full requirements power purchase agreement. Our purchase power totaled \$46.5 mln (60.4%) of our total accounts payable activity. Purchase power along with employee expense reimbursements, employee benefits, fleet lease payments, fees and taxes were not considered applicable in identifying or quantifying our discretionary spend total.

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.

In 2013, Liberty Utilities stressed the importance of building supplier relationships with DVBE organizations. Our local presentations yielded minimal results. Additionally, several DVBE organizations reached out to us directly, but we were unable to utilize their services in 2013. In addition to our standard outreach efforts, Liberty Utilities' Regulatory Affairs Department will prepare and circulate a master listing of certified DVBE organizations to Liberty Utilities' management team on a periodic basis to provide a steady reminder of our 2014 target.

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

Liberty Utilities (CalPeco Electric) LLC (U 933-E) WMDVBE Goals				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Disabled Veteran Business Enterprise (DVBE)	Women, Minority, Disabled Veteran Enterprise (WMDVBE)
Short-Term (2012)	8.50%	7.50%	0.50%	16.50%
Mid-Term (2014)	13.00%	7.50%	1.00%	21.50%
Long-Term (2016)	13.00%	7.50%	1.00%	21.50%

Liberty Utilities has exceeded its overall spend goal; however, the DVBE goal was not met. Our DVBE research and outreach activities will be enhanced and brought to the forefront in internal educational opportunities. Liberty Utilities will continue to emphasize our G.O. 156 target goals for dollars spent with WMDVBEs and to seek to increase our dollars spent with these diverse suppliers.

Our company remains committed to supplier development and in increasing competitiveness in sourcing products and services.

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

For 2014, 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 Utilities employees by including Supplier Diversity awareness in monthly safety 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.
- Promote Liberty Utilities’ Supplier Diversity Program goals at local and regional disabled veteran group meetings/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 there is an underutilization of them within our company.
- Stronger emphasis of our company's expectations of inclusion and opportunity during pre- and post-award bid meetings.
- Reviewing sole source awards and where possible seek 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.

Sec. 10.1.4 – Plans for encouraging both prime contractors and grantees to engage diverse suppliers in all categories which provide subcontracting opportunities.

Liberty Utilities 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, our Procurement group will work closely with its prime contractors in helping to identify specific commodities within Liberty Utilities projects where there are known diverse suppliers for inclusion. For instance, we will make accessible our listing of approved diverse contractors, and advocate for diverse supplier inclusion to the maximum extent possible.

Additional training and guidelines will be given to Supply Chain professionals to clearly communicate the Company's commitment to supplier diversity and to reaffirm the Company's expectations of opportunity and inclusion early in the sourcing process.

Sec. 10.1.5 – Plans for complying with the Utility Supplier Diversity Program established by the Commission as required by Public Utilities Code 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 Utilities 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 Utilities will comply with all revisions of General Order 156 and all other requirements of the CPUC.