



BUILDING ON OUR FOUNDATION OF EXCELLENCE

SUPPLIER DIVERSITY | 2016 ANNUAL REPORT | 2017 ANNUAL PLAN



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BUILDING ON OUR FOUNDATION OF EXCELLENCE

At SoCalGas®, we began our supplier diversity activities in 1979 and have since established a comprehensive Supplier Diversity Program. Over the years, we have launched initiatives, provided technical assistance, formed community partnerships and created programs to help diverse suppliers succeed.

Today, we continue to build on our foundation of supplier diversity excellence by helping these firms sustain their growth and expanding the pool of qualified suppliers that do business with us. Through these efforts, our aim is to create new opportunities for diverse businesses and continue our purchases with them.

CEO'S MESSAGE

All of us at SoCalGas have been extremely proud of our activities and achievements in supplier diversity. Our investments, development programs and partnerships with diverse suppliers have not only enhanced our competitiveness, but also led to stronger and more successful businesses, increased job creation and provided a boost to local communities.

Supplier diversity has evolved into an integral part of our strategy and a core company value that is embedded in our culture. Our commitment to growing purchases with diverse firms remains as strong as ever.

Over the years, we have focused our activities on broad supplier diversity initiatives. These initiatives include offering tools and education to help foster the long-term success of diverse suppliers and working with our community partners to identify qualified businesses for procurement opportunities.

It has been gratifying to see our diverse suppliers flourish and grow; their success makes me proud of our longtime commitment to supplier diversity.

In 2016, we continued to build on our foundation of supplier diversity excellence. SoCalGas attended more than 30 events to seek out diverse firms and helped more than 260 diverse suppliers progress through such development programs as Mastering Business Growth and Smaller Contractor Opportunity Realization Effort (SCORE).

SoCalGas increased procurement opportunities with diverse subcontractors by introducing them to our prime suppliers and

showcasing their capabilities. In addition, we again collaborated with financial institutions to improve diverse firms' access to capital. And to help enhance their cash flow, we expanded our invoice processing through our Supplier Quick Pay Program.

In 2016, we achieved strong diverse spend results – reaching \$672 million – even while experiencing companywide challenges. This achievement demonstrates our strong foundation of excellence in supplier diversity and our commitment to growing purchases with women, minority, service-disabled veteran and lesbian, gay, bisexual and transgender-owned business enterprises.

We will continue to leverage our best practices in supplier diversity, and I'm confident we will accomplish the goals we set for ourselves in 2017. I look forward to sharing our progress next year.



Patti Wagner
CEO

“Supplier diversity has evolved into an integral part of our strategy and a core company value that is embedded in our culture. Our commitment to growing purchases with diverse firms remains as strong as ever.”





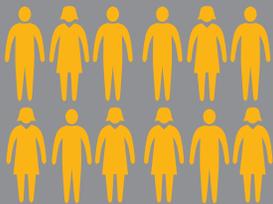
\$672.4M

SPEND WITH DIVERSE FIRMS



34.9%

TOTAL PURCHASES WITH DIVERSE SUPPLIERS



682

DIVERSE SUPPLIERS WORKING WITH SOCALGAS

NEW CONTRACTS WITH DIVERSE SUPPLIERS



ADVERTISING



RELOCATION SERVICES



JANITORIAL



EVENT PLANNING



LANDSCAPING



ENVIRONMENTAL



ELECTRIC (PSEP)



138

NEW DIVERSE FIRMS



399

DIVERSE PRIME SUPPLIERS



260

RECEIVED TECHNICAL ASSISTANCE



\$19.7M

IN SCORE SPEND



24

YEARS CPUC GOAL SURPASSED



91%

OF OUR DIVERSE SUPPLIERS ARE IN CALIFORNIA



42%

TOTAL PURCHASES WITH DIVERSE SUPPLIERS EXCLUDING ALISO CANYON

SOCALGAS SPEND 2012-2016

TOTAL SPEND WITH DIVERSE SUPPLIERS



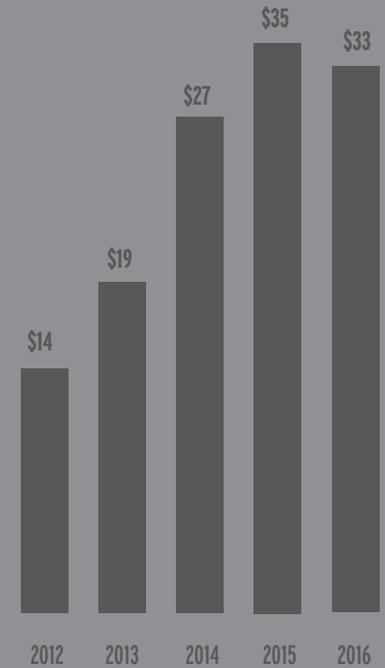
MINORITY BUSINESS ENTERPRISES (\$ IN MILLIONS)



WOMEN BUSINESS ENTERPRISES (\$ IN MILLIONS)



SERVICE-DISABLED VETERAN BUSINESS ENTERPRISES (\$ IN MILLIONS)



9.1.1 PROGRAM ACTIVITIES

SOCALGAS PROCUREMENT RESULTS	YEAR 2016		YEAR 2015	
Total	\$1,923,334,705		\$1,490,919,874	
Minority Business Enterprises (MBE)	\$373,224,433	19.41%	\$413,879,001	27.76%
Women Business Enterprises (WBE)	\$266,255,995	13.84%	\$216,584,466	14.53%
Service Disabled Veteran Business Enterprises (SDVBE)	\$32,932,760	1.71%	\$35,441,746	2.38%
Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBE)	\$50,343	0.00%		
Total WMDVLGBTBE	\$672,463,531	34.96%	\$665,905,213	44.67%

INTERNAL ACTIVITIES

CORPORATE COMMITMENT

We know that partnering with diverse firms makes us more competitive and gives us a supplier base that reflects the diverse communities we serve. That is why incorporating diverse suppliers into our procurement process is a normal part of doing business and embraced companywide by our employees.

While our supplier diversity commitment never wavered, our 2016 diverse spend results were impacted by the Aliso Canyon natural gas leak. This was due to the urgency to quickly stop the leak, ensure the safety of the surrounding communities and retain renowned industry leaders with the expertise to drill more than 8,000 feet below the surface to contain the leak.

Excluding the Aliso Canyon incident, our diverse spend results were on target with our goals. Moving forward, we are focused on meeting our supplier diversity targets and increasing purchases with women, minority, service-disabled veteran and lesbian, gay, bisexual and transgender-owned business enterprises (WMDVLGBTBEs).

SUPPLIER DEVELOPMENT/TECHNICAL ASSISTANCE

We have several programs to help diverse suppliers develop the necessary skills to increase their business success. Last year, more than 260 firms participated in our development programs. These programs included:

SCORE

The Smaller Contractor Opportunity Realization Effort (SCORE) program identifies procurement opportunities at SoCalGas and matches them with qualified smaller diverse suppliers. We look for internal projects to directly source with these smaller firms. These opportunities can lead to a competitive bid among those in the SCORE program. Upon winning a contract, SCORE contractors attend business boot camps on a variety of topics and receive ongoing mentoring and feedback on their performance from project managers.

Our boot camp, led by a diverse supplier, focused on winning Requests for Proposal and attracted 25 attendees.

In 2016, more than \$19.7 million was spent with SCORE contractors in such areas as engineering design, transportation and inspection services as well as our Gas Infrastructure Protection Program (GIPP).

Supplier Relationship Management

Our Supplier Relationship Management (SRM) program strives to optimize our suppliers' performance in safety, quality, operations and diverse subcontracting. This program has effectively developed open communication, customized process improvements and driven cost savings.

During the year, we worked with two of our largest prime suppliers on a mentor/protégé program to help diverse subcontractors increase their competitiveness, streamline processes, reduce costs and improve customer service.

Prime suppliers provided project opportunities, funding support, technical assistance and mentoring and coaching, which gave subcontractors valuable knowledge in competing and winning major bids.

Mastering Business Growth

Mastering Business Growth (MBG) is a 10-week program for diverse firms that have been in business less than three years and have less than \$1 million in revenue. The program is facilitated by a minority-owned consulting firm, and covers business plan development, technology and marketing, human resources, finance and accounting, risk management and more.

Twenty-six business owners received coaching, peer networking, targeted matchmaking with SoCalGas representatives and tips on how to do business with us.

SUPPLIER DIVERSITY BUSINESS SHOWCASE

Our Supplier Diversity Business Showcase provides diverse firms an opportunity to present information about their capabilities and experience to SoCalGas business unit managers and prime suppliers within their respective fields, with the goal of creating business partnerships between them.

In 2016, more than 50 diverse suppliers participated in a “Meet the Primes” business showcase to meet representatives from Gas Construction, Gas Engineering and As-Built Survey prime contractors. We received positive feedback from the primes and subcontractors.

MENTORING AND CAPACITY BUILDING

Supplier Diversity team members frequently mentor smaller diverse firms and introduce them to key decision makers and buyers at SoCalGas. They also participate in formal mentoring programs through various organizations.

In 2016, the team mentored a smaller diverse business through the National Minority Supplier Development Council’s (NMSDC) Emerging Young Entrepreneur program, which strives to help millennial entrepreneurs develop a sustainable business and maximize growth opportunities.

This involved monthly meetings, coaching and exploring ideas to help the firm generate more business. Team members also shared tips on improving this supplier’s 30-second elevator speech for a competition at NMSDC’s Conference and Business Opportunity Exchange, which the firm won.

SAFETY CONGRESS

Following the success of our Contractor Safety Congress in 2015, we hosted a second gathering to provide a forum for gas pipeline construction contractors to candidly discuss safety best practices and injury and accident prevention programs with current and potential contractors. Topics included excavation, job site safety, legal and illegal substance abuse, near miss/good catch programs and the hazards of sleep deprivation.



Supplier Program Excellence Manager Joe Chow speaks at an LGBT Chamber of Commerce gathering.



More than 250 contractors attended SoCalGas’ second Contractor Safety Congress. Above, attendees take a break with a stretching exercise.

REACHING OUT TO DIVERSE COMMUNITIES

GeM COMMUNICATIONS GROUP

When SoCalGas began making plans to upgrade its metering system with advanced meters, which automatically and securely transmit gas usage data to its customer service and billing center, it turned to GeM Communications Group to help spread the word to the community.

Hired in 2012, the African American, woman-owned strategic planning and public affairs consulting firm developed a community education and outreach program to ensure customers were aware of the Advanced Meter project. It involved installing about six million natural gas meters with the advanced meter communication device through 2017.

"We worked with 139 community-based organizations, small business associations, chambers of commerce and others to let them know about the program and its benefits," says GeM Founder and CEO Gwen Moore, noting organizations received grants managed by GeM to inform their constituents about SoCalGas' plans.

The utility knew Moore through her consulting work on a CPUC statewide energy program and in her previous role as a 16-year state assemblywoman, in which she drafted the 1988 landmark legislation that led to guidelines to promote utility recruitment and use of diverse suppliers.

"At the time, some utilities were doing less than one-tenth of a percent with diverse businesses," she adds, "so to see what supplier diversity has become makes me feel good."

Since leaving the legislature, Moore has been selective about her clients. "I pick clients who are good corporate citizens. It's been a pleasure working with SoCalGas."

"I pick clients who are good corporate citizens. It's been a pleasure working with SoCalGas."



The event attracted more than 250 contractors from construction and other related services. Featured guest speakers included Diane Thurman, Director of Safety, Health and Environmental, Pacific Gas and Electric; Jane Snowden-Galvin, Vice President of Client Services, The Holman Group; and safety directors from three of our prime pipeline contractors.

Also on-hand from SoCalGas were Bret Lane, Chief Operating Officer; Hal Snyder, Vice President, Human Resources, Diversity and Inclusion; and Rodger Schwecke, Vice President, Gas Transmission.

SUPPLIER QUICK PAY PROGRAM

The Supplier Quick Pay Program was launched in 2014 for smaller diverse firms with the goal of improving their cash flow, and offering faster electronic payments with modified payment terms to net 15 days, zero discounts. SoCalGas has continued to expand this program and there are now 54 enrollees.

PIPELINE SAFETY ENHANCEMENT PLAN

We again exceeded our 35 percent diverse spend goal for our Pipeline Safety Enhancement Plan (PSEP), which is a testing and replacement program for natural gas pipelines throughout our transmission system. During the year, we retrofitted 56 valves and remediated about 40 miles of pipe with more than 200 diverse suppliers.

These diverse firms were contracted for inspection, mapping, surveying, engineering design and construction services. We also worked with Value Added Resellers to ensure we had the materials to complete our work. These resellers successfully helped to track the status of orders, expedite orders as needed and manage inventory of stock valves.

Upon completion, approximately 157 miles of transmission pipelines will be tested or replaced and more than 500 valves will be retrofitted for automatic or remote control.

ETHNIC/COMMUNITY MEDIA

We continued to reach our multicultural customers through our ethnic media strategy, with 16.3 percent of our media budget focused on multicultural audiences.



We engaged with local community media organizations to communicate customer assistance, energy efficiency, safety and other topics. We also continued to develop customized materials aimed at reaching Hispanic, African American and Asian American customers to provide important natural gas safety tips.

In addition, our natural gas and customer assistance campaigns included 17 different print publications for Hispanic, Chinese, Vietnamese, Korean, Filipino and African American audiences.

COMMUNICATIONS AND AWARENESS

We employed several vehicles to keep our supplier diversity activities front and center with our employees. This effort included highlighting suppliers' successes on our intranet, holding in-person meetings to discuss procurement opportunities and providing updates on our supplier diversity efforts.

In light of Aliso Canyon's impact on our 2016 diverse spend results, we held a rally where former SoCalGas CEO Dennis Arriola urged employees to redouble their efforts and continue to keep WMDV/LGBTBEs in mind for procurement opportunities. This "call to action" led to improvement in our purchases with diverse firms.

Our Employee Diversity Council also complemented our efforts to keep supplier diversity at the forefront. The council is made up of seven Local Diversity Councils and is aimed at increasing employee awareness and sensitivity, celebrating supplier and cultural diversity and promoting inclusion.

MONITORING/AUDITING TOOLS

We utilized several tools to measure our supplier diversity spend results, which allowed us to monitor our progress on a timely basis and make adjustments in our approach and strategy if needed. These tools included:

- **Dashboard** - displays diverse direct procurement and subcontracting results on a monthly or year-to-date basis
- **Subcontracting portal** - used by prime suppliers to enter their monthly subcontracting results
- **Subcontracting audit** - an objective evaluation by an independent firm that reviews amount spent on diverse subcontracting
- **Ad-hoc analysis and reporting** - allows us to provide deeper analysis and understanding of spending trends



SoCalGas Supply Management and Supplier Diversity team members (from left) Michelle Chieks, Rodney Potts, Vaughn Williams and Yolanda Padilla at the American Indian Chamber of Commerce of California Expo.

SUPPLIER DIVERSITY TEAM

Supplier diversity is a companywide effort led by the SoCalGas Supplier Diversity team. The team works closely with Procurement and other departments and divisions and is responsible for:

- Developing annual diverse supplier procurement business plans for vice presidents and their management teams
- Participating in strategic sourcing initiatives for SoCalGas' major capital projects
- Conducting presentations for business units and monitoring department/division goals and performance
- Organizing supplier showcase forums to highlight potential diverse contractors
- Identifying and developing qualified diverse suppliers and evaluating their contract readiness
- Working with diverse firms to obtain certifications and arranging meetings with procurement and internal clients
- Resolving problems with contract requirements and performance issues
- Promoting activities and opportunities at conferences, seminars and events
- Meeting with prime contractors and verifying and monitoring subcontracting plans
- Providing timely responses to inquiries via our vendor portal

EXTERNAL ACTIVITIES

SUPPLIER DEVELOPMENT/TECHNICAL ASSISTANCE

SoCalGas supports ethnic and minority business advocacy organizations' efforts to help their constituents increase their business success. In 2016, we invested in universities, business and community programs.

Among the programs we sponsored:

- National Latina Business Woman Association's Emerging Latinas Leadership Program empowers emerging Latina leaders by providing



Former Supply Management Director Rick Hobbs (center) served as a panelist at Southern California Minority Supplier Development Council's Minority Business Opportunity Day.



Supply Management Portfolio Manager Frank Chechitelli (left) and Supplier Program Excellence Manager Joe Chow (second from right) served as panelists at the Disabled Veteran Business Alliance's "Turning Contacts into Contracts" event. Other panelists included Golden State Water's Emma Maxey and Southern California Edison's Dennis Thurston.

the skills and tools necessary to advance their careers and executive leadership to become business role models. The four-week class covers such topics as leading with authority and negotiating powerfully within a company and organization, learning to use social media to elevate professional and personal image and increasing visibility as a corporate professional and leader in their community.

- UCLA Management Development for Entrepreneurs helps business owners enhance their management skills, develop a business improvement plan and gain access to the greater UCLA Anderson School of Management alumni network. In 2016, SoCalGas awarded ten scholarships to diverse suppliers.

We also funded development programs for Women's Business Enterprise Council-West (WBEC) and Recycling Black Dollars (RBD). Our WBEC and RBD funding supported the groups' workshops to assist smaller diverse business owners with business plan writing, bookkeeping, capabilities statement, social media, branding and business tax filing.

SERVICE-DISABLED VETERAN BUSINESS ENTERPRISES

For the fifth straight year, we partnered with the Disabled Veteran Business Alliance on its "Turning Contacts into Contracts," a day-long conference focused on increasing awareness and purchases with service-disabled veteran business enterprises (SDVBEs).

The event was held again at our Energy Resource Center in Downey and attracted over 175 attendees. It featured workshops and matchmaking sessions with supplier diversity and procurement representatives from SoCalGas as well as other utilities and corporations.

LESBIAN, GAY, BISEXUAL AND TRANSGENDER BUSINESS ENTERPRISES

With the expansion of General Order 156 in 2014, we continued to work on formally including lesbian, gay, bisexual and transgender business enterprises (LGBTBEs) in our Supplier Diversity Program.

In 2016, we participated in a number of events to meet and identify LGBT-owned firms and established a strong presence at local LGBT chambers, including a board membership on the Los Angeles Gay & Lesbian Chamber of Commerce.



An event connecting LGBTBEs with supplier diversity professionals brought Mark Morales (right) of the Los Angeles Gay & Lesbian Commerce and Brent Steward of the National Gay & Lesbian Chamber of Commerce together as well as local and national LGBT chapters. Representatives from SoCalGas, SDG&E and the Small Business Administration were among the attendees.



Marie Campbell of Sapphos Environmental receives the Supplier of the Year award from former SoCalGas CEO Dennis Arriola, retired Supply Management Director Rick Hobbs and Supplier Program Excellence Manager Joe Chow.

As a corporate partner of the National Gay & Lesbian Chamber of Commerce's (NGLCC) International Business and Leadership Conference, we took part in matchmaking sessions and the business expo. We also participated on workshop panels which included "How to Do Business with California Utilities" and "The Legal Roundtable."

In addition, we partnered with the Los Angeles Gay & Lesbian Chamber of Commerce, NGLCC, San Diego Gas & Electric and the Small Business Association to share information on the certification process and how to do business with SoCalGas.

SoCalGas officially integrated this category into our internal reports in 2016.

SUPPLIER RECOGNITION

We are proud of our partnerships with diverse suppliers and enjoy shining a spotlight on those that provide exceptional quality and service. In 2016, we nominated five minority-owned firms for Southern California Minority Supplier Development Council's (SCMSDC) Supplier of the Year awards and were pleased that two of our nominees won the top award in their class categories. One of the firms went on to receive the national award – the highest honor bestowed upon a minority business by NMSDC.

EXTERNAL OUTREACH

Our outreach activities included collaborating with nearly 30 organizations and attending events to meet and identify diverse suppliers for potential business opportunities. We also participated in local, regional and national trade fairs and conferences and served on corporate advisory boards and committees.

ORGANIZATIONS SUPPORTED BY SOCALGAS

- American Indian Chamber of Commerce of California
- Asian Business Association – Los Angeles*
- Asian Business Association – Orange County*
- Asian/Pacific Islander Chamber of Commerce and Entrepreneurship
- Black Business Association – Los Angeles
- California Black Chamber of Commerce
- California Hispanic Chamber of Commerce
- California Utilities Diversity Council
- Chinese American Construction Professionals
- Community Lawyers, Inc.
- Desert Business Association
- Disabled Veteran Business Alliance
- Elite Service-Disabled Veteran-Owned Business Network – National
- Golden Gate Business Association
- Greater Los Angeles African American Chamber of Commerce*
- Latin Business Association*
- Latino Coalition
- Long Beach Gay & Lesbian Chamber of Commerce
- Los Angeles Gay & Lesbian Chamber of Commerce*
- Los Angeles Latino Chamber of Commerce*
- National Association of Women Business Owners – Los Angeles*
- National Gay & Lesbian Chamber of Commerce
- National Association of Minority Contractors – Southern California*
- National Latina Business Women Association – Los Angeles*



Supplier Diversity team member Vaughn Williams discusses how to do business with SoCalGas at the Disabled Veteran Business Alliance's "Keeping the Promise" gathering.

- National Minority Supplier Development Council
- National Utilities Diversity Council*
- Recycling Black Dollars
- Southern California Minority Supplier Development Council*
- Women's Business Enterprise Council – West*

**Board position held by SoCalGas representative*

2016 AWARDS

SoCalGas was recognized for our best practices and leadership in supplier diversity. These included:

- American Indian Chamber of Commerce of California – Eagle Sponsorship Recognition
- Asian Business Association – Orange County – Corporate Eagle Award
- California Hispanic Chamber of Commerce – Latina Corporate Pillar
- Southern California Minority Supplier Development Council – Corporate Procurement Award
- Southern California Minority Supplier Development Council – Hollis Smith Advocate Award
- Southern California Minority Supplier Development Council – Leadership Excellence Award
- Women’s Business Enterprises Council - Western Region – Recognition of Impact



Former SoCalGas CEO Dennis Arriola at Southern California Minority Supplier Development Council's Leadership Excellence Awards gala.



Gina Orozco-Mejia (left), vice president of Gas Operations, accepts the Latina Corporate Pillar award at the California Hispanic Chamber of Commerce's annual convention.



Team SoCalGas and guests celebrate at Southern California Minority Supplier Development Council's Leadership Excellence Awards gala, where former SoCalGas CEO Dennis Arriola (front row) received the prestigious Leadership Excellence Award.

9.1.2 SUMMARY OF PURCHASES/CONTRACTS

In 2016, SoCalGas had a total of 682 diverse suppliers with 399 serving as prime suppliers. Please refer to Chart Addendums A1-A5 starting on page 33.

9.1.3 PROGRAM EXPENSES

Our supplier diversity expenses for 2016 included California Public Utilities Commission (CPUC) Supplier Clearinghouse program costs, technical assistance, capacity building events, office support services and other expenses.

Expense Category	2016 Expenses (in thousands)
Wages	\$499
Other Employee Expenses	–
Program Expenses ¹	\$402
Reporting Expenses ²	–
Training Expenses	–
Consultants ³	–
Other	–
Total	\$901

¹ Includes reporting and other employee expenses

² Included in Program Expenses

³ Includes IT costs

9.1.4 GOAL PROGRESS

Category	SoCalGas 2016 Results	CPUC 2016 Goals
Minority Business Enterprise (MBE)	19.41%	15.0%
Women Business Enterprise (WBE)	13.84%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.00%	TBD
Other 8(a)	0.00%	TBD
Service-Disabled Veteran Business Enterprises (SDVBE)	1.71%	1.5%
Total WMDVLGBTBE	34.96%	21.5%

Last year, our procurement with diverse suppliers reached more than \$672 million. Here are a few highlights:

- For the 17th consecutive year, we surpassed the CPUC’s 15 percent minority business enterprise (MBE) goal, with spend totaling \$373 million.
- We exceeded our target with women business enterprises (WBEs) for the 28th straight year, with purchases reaching \$266 million, rising from \$217 million in 2015. Spend with WBEs represented 13.8 percent of all procurement and services purchased by SoCalGas.
- We added 138 new diverse contractors, totaling more than \$53 million in new spend.
- We outperformed the CPUC’s service-disabled veteran business enterprise (SDVBE) spend goal of 1.5 percent for the seventh year in a row, achieving \$33 million, or 1.7 percent. We have made growing purchases with this group a priority with targeted outreach and increased awareness among department and procurement staff.

WORK BRINGS 'RESPECT' AND LGBTBE CERTIFICATION

REYEZ STUDIO

Reyes Melendez of Reyez Studio started providing photography services to SoCalGas before the historic legislation in 2014 expanded the CPUC's supplier diversity program to include LGBT-owned firms. Soon after, a SoCalGas Supplier Diversity manager approached him about becoming certified so he could potentially have more opportunities to work with the utility.

Melendez, a freelance photographer and art director with more than 20 years of experience working for Martha Stewart, Real Simple, People magazines and other publications, was unfamiliar with LGBT certification and received assistance from SoCalGas on submitting the necessary paperwork.

"It never occurred to me that this is something I could do," he says, adding "the SoCalGas manager explained the certification process and answered my questions."

His assignments for the utility have taken him throughout its service territory, ranging from taking photos for customer programs and at community events as well as helping to expand the company's photo library with images of employees, customers and operations.

"I'm really grateful for all the work I do for SoCalGas. I love going to so many places, shooting photos and learning about the different programs and services," says Melendez. "Everyone is always so helpful and employees are really proud of working at the company."

He adds that work with the utility has provided new business opportunities with other clients. "They look at me with more respect."

"I'm really grateful for all the work I do for SoCalGas. I love going to so many places, shooting photos and learning about the different programs and services."



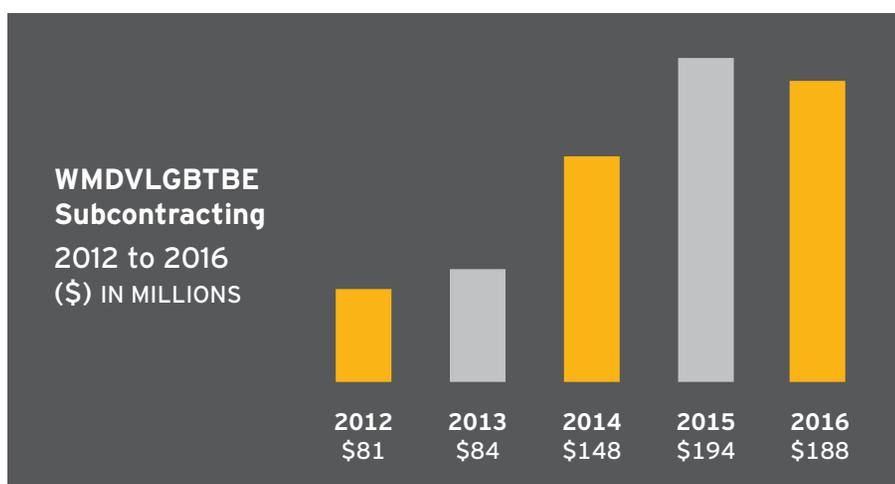
9.1.5 SUBCONTRACTORS

2016 SoCalGas	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Service-Disabled Veteran Business Enterprises (SDVBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Other 8(a)	Total (WMDVLGBTBE)
Direct \$	\$192,862,026	\$78,036,943	\$270,898,969	\$203,492,709	\$474,391,678	\$10,046,964	\$50,343	\$0	\$484,488,985
Subcontracting \$	\$78,273,501	\$24,051,963	\$102,325,464	\$62,763,286	\$165,088,750	\$22,885,796	\$0	\$0	\$187,974,546
Total \$	\$271,135,527	\$102,088,906	\$373,224,433	\$266,255,995	\$639,480,428	\$32,932,760	\$50,343	\$0	\$672,463,531

Direct %	10.03%	4.06%	14.08%	10.58%	24.67%	0.52%	0.00%	0.00%	25.19%
Subcontracting %	4.07%	1.25%	5.32%	3.26%	8.58%	1.19%	0.00%	0.00%	9.77%
Total %	14.10%	5.31%	19.41%	13.84%	33.25%	1.71%	0.00%	0.00%	34.96%

Percentages may not equal total due to rounding

Total Procurement	\$1,923,334,705.00
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Our supplier diversity activities involve working with prime suppliers to increase procurement opportunities with diverse subcontractors. As such, including diverse firms for subcontracting work is part of our criteria for awarding contracts in the Request for Proposal (RFP) process.

Our prime contractors share our commitment to supplier diversity. In fact, a large percentage subcontract more than 40 percent with diverse businesses, for a total of more than \$188 million.

Throughout the year, we continued to:

- Hold quarterly strategy meetings with our largest prime suppliers and monitor their subcontracting goals
- Help prime suppliers develop relationships with diverse firms by providing introductions and inviting them to our Supplier Diversity Business Showcases

SUPPORTING A FORMER COLLEAGUE

CHO ESTRADA COMMUNICATIONS

When Vicki Cho Estrada joined SoCalGas' media and employee communications group, she had no idea that years later she would start her own communications consulting firm and the utility would be one of her best clients.

Estrada created her woman- and Asian American-owned firm, Cho Estrada Communications, in 2000 after a career at SoCalGas and its then parent company, Pacific Enterprises. Taking advantage of her utility background, she approached SoCalGas about doing some freelance writing work, which led to assignments ranging from writing executive speeches to producing collateral materials.

The Supplier Diversity team encouraged Estrada to become certified as a woman and minority business enterprise. "They were incredibly helpful and took me through the certification process," says Estrada, adding team members also provided introductions to internal managers and invited her to events to meet other prospective clients. "My work with SoCalGas led to contracts with other utilities and corporations. I owe a great deal of my success to the company."

In recognition of the Valencia-based firm's involvement on such projects as SoCalGas' Supplier Diversity annual report and annual plan, the utility nominated Cho Estrada Communications four times for Southern California Minority Supplier Development Council's Supplier of the Year Award, and won the award in 2014 and 2015 in its class category.

Says Estrada, "I'm so appreciative of SoCalGas' recognition and continued support. While it's been several years since I worked there, I feel like I'm still part of the family."

"My work with SoCalGas led to contracts with other utilities and corporations. I owe a great deal of my success to the company."



- Develop and assist diverse subcontractors by providing project opportunities, technical assistance, mentoring and coaching through our SRM program
- Provide subcontractors with the visibility and experience needed to compete and win major bids against other large majority contractors
- Identify subcontracting opportunities through meetings with Supply Management
- Share listings of diverse firms for prime suppliers' consideration for subcontracting activities and attending pre-bid meetings
- Meet with prime suppliers to provide training and access to our subcontracting portal
- Host annual "Meet the Primes" event connecting subcontractors with Gas Construction and Gas Engineering
- Share monthly subcontracting results with Procurement and SoCalGas key stakeholders
- Work with non-verified diverse subcontractors to become CPUC Clearinghouse-certified



Former SoCalGas CEO Dennis Arriola (front row, second from right) is joined by employees at the Supplier Diversity Rally and Awards event.

9.1.6 COMPLAINTS

There were no formal complaints or lawsuits filed against SoCalGas in 2016 related to our Supplier Diversity Program.

9.1.7 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

Over the years, SoCalGas has made progress in expanding opportunities in low-utilization categories, including legal and finance. Our efforts remain a long-term process as diverse suppliers in these areas need to have a larger workforce, highly specialized skills and substantial financial strength to succeed. In 2016, we participated in trade shows, industry conferences, workshops and other venues to enhance WMDV/LGBTBE spending.



SoCalGas Supply Management and Supplier Diversity team members Michelle Chieks (left) and Yolanda Padilla (right) with SoCalGas suppliers Eddy Duong and Vicki Cho Estrada at Southern California Minority Supplier Development Council's Supplier of the Year Awards luncheon.

LEGAL

SoCalGas' Law Department continued to focus on growing diverse spend by seeking and utilizing diverse firms. In 2016, we spent \$3.4 million with diverse law firms, or 8.1 percent of total procurement. We experienced a decrease in overall percent due to fluctuation of cases and the types of legal matters we handled as it related to the Aliso Canyon matter.

The department contracted with diverse firms to provide legal services in the following areas: employment and labor law, general and business litigation, personal injury, commercial, environmental, real estate, workers' compensation and recovery claims. In addition, the Law Department employed diverse non-firm resources for various support services.

During the year, our general counsel and other in-house attorneys met with emerging diverse law firms for potential opportunities. In addition, we introduced a new diverse law firm into the legal portfolio and helped a minority-owned firm obtain CPUC certification.

SoCalGas sponsored the California Minority Counsel Program's (CMCP) Annual Business Conference, where our law department representatives participated in workshops and met with diverse law firms. The department also continued to support organizations such as the Trevor Project, a suicide-prevention hotline for LGBTQ youth.

Several attorneys received awards and continued to be active with diverse bar associations (including serving on boards) and organizations such as



the Asian Americans Advancing Justice, California Minority Counsel Project, Woman Lawyers of Los Angeles (WLALA), LGBT Bar Association, South Asian Bar Association, Foundation for Women Warriors, Philippine American Bar Association, Filipino-American Lawyers of Orange County and California Bar Foundation, an organization focused on increasing diversity in the legal profession and access to justice for underserved communities.

Our attorneys also served as speakers at national conferences, including National Association of Minority & Women-Owned Law Firms' (NAMWOLF) annual meeting, Minority Corporate Counsel Association's Continuing Legal Education Expo, WLALA and the lawyers section of the NGLCC.

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

Diverse Attorney Work Within Majority Law Firms		Total (\$)
Minority Men	Asian Pacific American	\$664,480
	African American	\$437,301
	Hispanic American	\$1,336,340
	Native American	
	Multi-Ethnic	\$1,965,793
	Total Minority Men	\$4,403,914
Minority Women	Asian Pacific American	\$847,060
	African American	\$170,624
	Hispanic American	\$157,512
	Native American	
	Multi-Ethnic	\$159,335
	Total Minority Women	\$1,334,531
Total Minority		\$5,738,445
Non-Minority Women: Attorneys		\$5,354,867
Non-Minority Men: Attorneys		\$19,003,553
Service-Disabled Veteran		\$0
Lesbian, Gay, Bisexual and Transgender Business Enterprise		\$0
Other 8(a)		\$0
Grand Total, All Minority/Non-Minority		\$30,096,865

Note: Figures are estimated

Diverse Paralegal Work Within Majority Law Firms		Total (\$)
Minority Men	Asian Pacific American	
	African American	
	Hispanic American	\$500
	Native American	
	Multi-Ethnic	\$2,370
Total Minority Men		\$2,870
Minority Women	Asian Pacific American	\$133,748
	African American	\$147,297
	Hispanic American	\$560,049
	Native American	
	Multi-Ethnic	\$279,754
Total Minority Women		\$1,120,848
Total Minority		\$1,123,718
Non Minority Women: Attorneys		\$52,934
Non Minority Men: Attorneys		\$779,770
Service-Disabled Veteran		\$0
Lesbian, Gay, Bisexual, and Transgender Business Enterprise		\$0
Other 8(a)		\$0
Grand Total, All Minority/Non-Minority		\$1,956,422

Note: Figures are estimate

FINANCIAL

Our financial diverse spend results for 2016 were \$3.2 million, or 7.4 percent. Our overall spend increased compared to 2015. We continued to identify opportunities across a wide variety of key financial services. Our activities involved seeking diverse suppliers in financial services, including pension and trust investments, investment banking, insurance and bonding services, cash management and audit services.

Investment Banking

In May 2016, SoCalGas issued \$500 million of first mortgage bonds and selected a Hispanic-owned investment bank as one of the joint bookrunners. In the same transaction, we selected a woman-owned securities firm and an African American and woman-owned investment bank to co-manage the offering.

Insurance and Bonding Services

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

Pension and Trust Investments

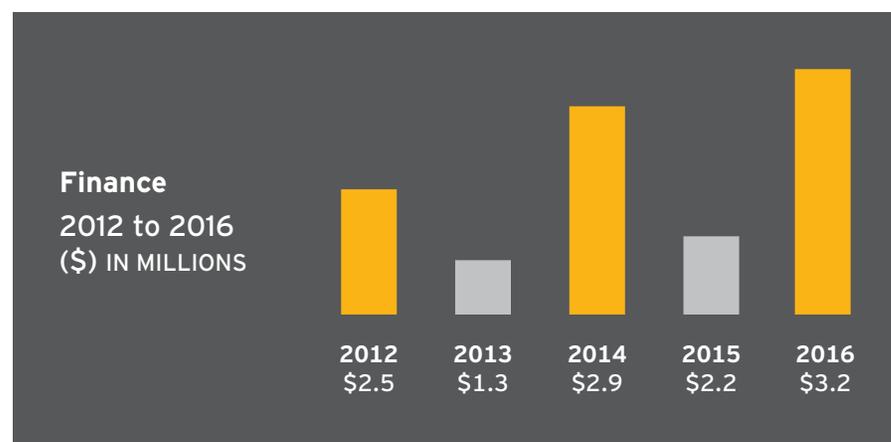
Our investment managers used five brokerage firms to execute trading activity for our pension fund. Our pension staff also identified diverse investment managers for potential investment opportunities.

Audit Services

SoCalGas worked with an African American woman-owned supplier to perform environmental, health and safety audits.

Outreach

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



2017 ANNUAL PLAN

10.1.1 GOALS

SoCalGas' supplier diversity corporate goal is to meet the requirements of the CPUC's General Order 156. Our focus has been to maintain our 38 percent spend target with diverse firms, while concentrating on strengthening our relationships, targeting our outreach and expanding our diverse supplier base. In addition, SoCalGas will strive to exceed the following short-, mid-, and long-term goals:

PRODUCTS

Short-Term (2017)				Mid-Term (2019)				Long-Term (2021)							
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veterans Business Enterprise (SDVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veterans Business Enterprise (SDVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veterans Business Enterprise (SDVBE)	WMDV LGBTBE
Products	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD
Subtotal	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

SERVICES

Short-Term (2017)				Mid-Term (2019)				Long-Term (2021)							
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veterans Business Enterprise (SDVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veterans Business Enterprise (SDVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veterans Business Enterprise (SDVBE)	WMDV LGBTBE
Services	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD
Subtotal	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

Short-Term (2017)				Mid-Term (2019)				Long-Term (2021)							
TOTAL	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

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

10.1.2 PLANNED ACTIVITIES

In 2017, we have several opportunities to engage with diverse suppliers on capital infrastructure and other projects. These include:

Advanced Meter

The Advanced Meter project includes installing approximately six million advanced meters, or natural gas meters with wireless communication modules. It also includes the installation of a communications network across SoCalGas' entire service territory. The project improves operational efficiencies, customer service, safety and energy conservation benefits for SoCalGas and our customers. Over the course of this multiyear project, we have continued to exceed diverse spending targets.

For 2017, we anticipate that diverse suppliers will continue to contribute to the success of the project in a variety of areas including information technology, warehousing and logistics, inventory management and distribution, community outreach and network construction.

Pipeline Safety Enhancement Plan

We will continue to work with business and community groups to identify potential opportunities for qualified diverse suppliers. We will again engage with diverse companies in construction, engineering and design, environmental services, materials, surveying and mapping, inspection and other support services.

We also plan to seek additional opportunities with diverse suppliers in pipeline construction and pipeline auxiliary services. We will continue to participate in outreach events and actively promote and monitor our website portal for businesses interested in working with us on PSEP.

We are aware that some diverse firms may find it challenging to meet the demands of a large-scale project like PSEP, including meeting the necessary bonding, insurance and financial requirements. We remain committed to achieving a 35 percent diverse spend target over the life of this project and providing suppliers with mentoring and technical assistance.

Aliso Canyon Turbine Replacement Project

Our turbine replacement project at the Aliso Canyon facility involved replacing three natural gas turbine-driven compressors with new electric motor-driven models. Major construction for the project was completed as of December 2016.

During the project, diverse suppliers provided construction materials, equipment rental, fuel procurement and other services. Nearly 100 diverse suppliers were utilized to provide goods and services during the year on this project, totaling over \$8.7 million.



SoCalGas Supplier Diversity Project Manager Michelle Chieks with Greater Los Angeles African American Chamber of Commerce Treasurer Felix Whittaker at a GLAAACC Education Fund and Foundation scholarship lunch.

Mobilehome Park Utility Upgrade

We are in our final year of our three-year pilot MobileHome Park Utility Upgrade Program, which involves the conversion of natural gas master-metered service at mobile home parks and manufactured housing communities to direct natural gas.

In 2016, five diverse prime suppliers were awarded contracts which resulted in over \$26 million in diverse spend. In 2017, we expect opportunities for diverse suppliers in the following areas: electrical, paving, concrete cutting, plumbing, trenching, trucking, traffic control and material supplies.



Mastering Business Growth participants learn how to do business with SoCalGas at a workshop.

INTERNAL ACTIVITIES

In 2017, we will continue to partner with our employees companywide to build on our foundation of supplier diversity excellence. Key areas of focus include:

- Incorporating LGBT-owned firms in our corporate diversity and inclusion strategy, expanding and strengthening relationships with our internal organizations and promoting and increasing supplier diversity participation in our strategic planning efforts
- Continuing to work on the roll out of a new application to enhance our reporting capabilities and improve our dashboard for better monitoring. This will also include a self-service portal to give internal stakeholders access to this information
- Expanding purchases with current SCORE contractors, providing opportunities for new smaller contractors and continuing our mentoring efforts with diverse firms
- Launching a companywide communication awareness initiative to promote supplier diversity
- Holding quarterly feedback sessions with our prime diverse suppliers
- Refocusing our existing technical assistance program to be geared towards mid-range suppliers with the goal of ensuring their long-term success
- Promoting the growth of suppliers to other agencies and industries

EXTERNAL ACTIVITIES

We will expand our reach to diverse firms through partnerships with business and community organizations as well as peer utilities. Our activities in 2017 will include:

- Identifying SCORE opportunities for small diverse suppliers
- Informing suppliers of the inclusion of LGBTBEs in General Order 156 and SoCalGas' efforts to recruit certified LGBTBEs into our supply chain through networking events and individual meetings

- Exploring other potential relationships in which high-capacity diverse firms can be recruited and developed in new and emerging areas
- Strategically targeting and developing diverse suppliers in areas of low utilization, such as legal and financial services
- Maintaining a strong presence at local and national LGBT chambers
- Reaching out to certified and non-certified LGBTBEs and introducing them to our supply chain and Supply Management

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN LOW UTILIZATION AREAS

We will continue to focus our efforts on increasing procurement opportunities in low utilization areas by:

- Targeting high-potential diverse firms for opportunities
- Pursuing low utilization areas to increase diverse spend
- Fostering strategic relationships with diverse firms positioned to secure contracts in areas such as legal and financial services
- Inviting company procurement agents and key decision makers to attend networking events and workshops with potential diverse contractors and subcontractors
- Participating in planning and pre-bid meetings to promote diverse supplier participation
- Attending industry-related conferences to meet potential suppliers in underutilized areas
- Contacting diverse suppliers who are not currently certified and encouraging them to seek certification

LEGAL

As in previous years, we plan to participate in outreach activities and engage bar associations and legal organizations that promote diversity. Please refer to the legal section under 9.1.8.

FINANCE

We will continue to have executives, directors and managers actively involved in outreach activities in the finance area, including CPUC/Utility Chief Financial Officer forums and internal meetings with high-capacity diverse firms.

Our plans for 2017 include investing in minority area-focused community finance development institutions, identifying and utilizing high-potential diverse firms to manage pension and specialty funds, engaging qualified diverse auditing firms for employee benefit and other specialty audits and searching for specific subcontracting opportunities with majority-owned banking and financing institutions.

10.1.4 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.



SoCalGas legal team members (from left): Sharon Tomkins, vice president and general counsel; Kenneth Langan, assistant general counsel; and Chris Bissonnette, senior counsel.

10.1.5 SUBCONTRACTING PLANS

We plan to increase diverse subcontracting opportunities by:

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

10.1.6 PROGRAM COMPLIANCE

SoCalGas will continue efforts to meet or exceed all requirements established by General Order 156.



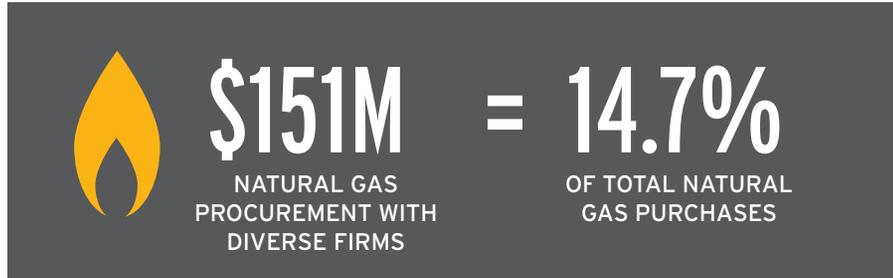
Supplier Diversity Program Manager Rodney Potts meets with a supplier at the CPUC's Small Business Expo in Pasadena.



SoCalGas Supplier Diversity Program Manager Yolanda Padilla meets with a business owner at the CPUC's Small Business Expo in Pasadena.

A photograph of a gas processing facility. The image shows a complex network of white pipes and valves. Several large red handwheels are visible, used for manual operation of the valves. The background is a clear, bright blue sky. The overall scene is industrial and well-maintained.

2016 ANNUAL REPORT AND 2017 ANNUAL PLAN - FUEL PROCUREMENT FOR NON-GENERATION



9.1.1 PROGRAM ACTIVITIES

INTERNAL ACTIVITIES

EXECUTIVE BRIEFINGS

Supplier diversity remains a priority with the Gas Acquisition team. In 2016, executives and managers took part in monthly status meetings, where they were encouraged to remain diligent in their efforts to identify, engage and embrace qualified diverse firms in purchasing transactions.

INTERNAL PARTNERSHIPS

The Supplier Diversity team partnered with Gas Acquisition to validate, coordinate and develop relationships with energy buyers and diverse suppliers.

EXTERNAL ACTIVITIES

SoCalGas has long been a leader in advancing supplier diversity in the energy markets. We took on a key role in the nation's first diverse natural gas workshop and worked with the U.S. Department of Energy (DOE) to form a business roundtable to encourage and promote diverse firms in this area. We worked with the DOE and a minority supplier to develop a national financing tool for diverse suppliers, which led to more than \$2 billion in transactions with diverse suppliers across the country.

We have also worked with other utilities to develop and promote a national utility supplier diversity program supported by the National Association of Regulatory Utility Commissioners (NARUC).

In 2016, SoCalGas was notified by one of its longstanding financial institutions that it was phasing out the Funds Transfer Agent Agreement (FTAA). This essential financial tool is used by diverse businesses to provide the working capital and credit required to procure natural gas from large natural gas producers. We were able to identify and work with another financial institution to keep the FTAA in place.

We will continue to look for other viable options that will enable diverse suppliers to obtain the credit limits required by large natural gas producers.

9.1.2 SUMMARY OF PURCHASES/CONTRACTS

SoCalGas experienced an increase in purchases with federally recognized tribes (sovereign nations) and Native American-owned natural gas suppliers due to an increase in the tribe's natural gas production through acquisitions.

Fuels for Non-Generation Purchases • January 2016 - December 2016		
	Dollars	Volume (Billion BTUs)
Canadian Source Natural Gas	\$31,404,384	18,939,959
Domestic On-Shore Natural Gas Purchases from Non-Diverse Suppliers	\$849,041,323	349,505,354
Domestic On-Shore Natural Gas Purchases from Diverse Suppliers	\$151,170,801	65,222,765
Natural Gas Purchases/Payments - Other Utilities	\$0	0
Total Natural Gas Purchased	\$1,031,616,509	433,668,078

9.1.3 PROGRAM EXPENSES

Program expenses are included in Section 9.1.3 Program Expenses in the 2016 Product and Services Procurement Results.

9.1.4 GOAL PROGRESS

In 2016, SoCalGas purchased 14.65 percent from diverse natural gas suppliers, totaling \$151 million. Below is a breakdown of our natural gas purchases:

Federally recognized tribes (sovereign nations) and Native American-owned	\$29,790,753	2.9%
African American-owned	\$37,567,810	3.6%
Hispanic American-owned	\$25,263,150	2.4%
Asian Pacific American-owned	\$14,797,119	1.4%
Women-owned	\$21,961,633	2.1%
Service-Disabled Veteran-owned	\$21,790,336	2.1%

9.1.5 SUBCONTRACTORS

There were no subcontractor opportunities available.

9.1.6 COMPLAINTS

There were no formal diverse supplier complaints or lawsuits filed in 2016 against SoCalGas.

9.1.7 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

9.1.8 EFFORTS TO RECRUIT DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

SoCalGas is committed to increasing the participation of diverse natural gas suppliers; however, this remains challenging due to: 1) credit conditions affecting diverse firms in the wholesale energy and natural gas markets; 2) major suppliers continue to be sporadic in their supply to the West Coast markets; and 3) tightened credit and supply for diverse firms.

We encouraged diverse suppliers to develop relationships with domestic onshore producers as well as those from Canada and continued outreach and supplier development activities in the natural gas market.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SoCalGas will continue to comply with all required document retention regulations.

9.1.10A PARTICIPATION RESULTS BY FUEL CATEGORY

Please refer to Chart Addendum A8 on page A6 on page 40 for participation results by fuel category.

HOPE LEADS TO STEADY STREAM OF WORK

AMERICAN INTEGRATED SERVICES

David Herrera never forgot his first meeting in the late 1990s with a SoCalGas Supplier Diversity manager, who opened the door to his full-service environmental construction and specialized transportation company, American Integrated Services, Inc. (AIS).

“He gave me hope there would be real opportunities with SoCalGas, and it wasn’t just lip service,” Herrera says. “We were invited to meetings; all we needed was a chance, and once we got in front of them, it took off from there.”

The Hispanic American-owned, Wilmington-based firm has been steadily working with the utility ever since. AIS has been awarded contracts for remediation services focused on asbestos services, lead abatement, recycling and minor demolition as well as mold and other hazardous materials removal. In 2016, it was hired to assist in SoCalGas’ clean-up activities for more than 2,000 residents affected by the Aliso Canyon natural gas leak.

“SoCalGas kept expanding our role once they realized our extensive capabilities, diverse service lines, in-house equipment and experienced in-house personnel. Add our excellent safety record and we became a go-to contractor for the company,” he says.

Herrera is benefiting in other ways through AIS’ work with SoCalGas. The utility is sponsoring him in the UCLA Management Development for Entrepreneurs program.

“I believe that SoCalGas has one of the first and most progressive supplier diversity programs in the utility industry, and for that matter, in all industries,” he says.

“SoCalGas kept expanding our role once they realized our extensive capabilities... Add our excellent safety record and we became a go-to contractor.”





Gas Acquisition team members: (front row) Mike Sias, Angie Ishikawa and Paul Goldstein; (second row) Brent Mishler, Reginald Gentry, James Nakata, Donna Newton and Nancy Thom.



9.1.10B MARKET CONDITIONS AND OUTREACH

We purchase natural gas supplies from Canada, U.S. Rockies and Southwestern U.S. through short- and long-term contracts for SoCalGas and SDG&E core customers. We also procure some California natural gas production and additional supplies. Natural gas purchases are primarily based on published monthly bid-week indices.

Challenges remained for new and existing diverse firms in the natural gas market including weak volatility and low natural gas prices due to additional sources of shale natural gas; increased risk exposure and stringent credit policies. These challenges have restricted the participation of diverse suppliers. In addition, exceptionally warm weather conditions in the Southern California area yielded a decrease in the purchase and consumption of natural gas.

A new challenge was the decline in participation in the FTAA program by banks. Banks are the third-party agent that facilitate the transfer of funds to the appropriate recipients. Participating FTAA banks are leaving the program due to new federal regulations. A typical hardship facing most diverse suppliers is that credit needs may far exceed their credit resources in attempting to execute transactions involving large volumes of product. The FTAA is a tool designed to overcome this major obstacle for diverse businesses interested in participating in the natural gas marketplace.

In 2016, we continued to encourage major energy producers and marketers to work with diverse suppliers utilizing a FTAA to assist with credit issues. A future challenge will be finding more wholesale oil and natural gas producers to do business with diverse natural gas suppliers. However, we remain hopeful that our efforts and encouragement by the federal government and regulatory bodies, such as NARUC, will help sustain diverse supplier prospects.

During the year, we reached out to emerging diverse natural gas suppliers at industry conferences, worked with organizations to identify and develop diverse suppliers and participated in energy industry fairs to promote diverse supplier opportunities.

A PARTNERSHIP WITH MENTORING, SCHOLARSHIPS AND MORE

AD PRO

Tracy Stanhoff was always running into SoCalGas Supplier Diversity representatives at outreach events hosted by Native American business organizations until one day, she landed a contract opportunity.

That was more than 15 years ago. Today, AD PRO, Stanhoff's Huntington Beach-based advertising, graphic design/production, promotional products, embroidery and screen printing firm, continues to work with SoCalGas on a number of projects.

These include ad design; convention exhibit design and production; collateral materials, such as brochures and line cards; signage; large format graphics; promotional products; screen printing and embroidery; and printing.

SoCalGas' Supplier Diversity group "helped us navigate the process of becoming a supplier, advocated for our use within their supply chain, provided us with tips for doing business with them and helped us with industry knowledge," says Stanhoff, adding the ongoing work with SoCalGas led to employee hires and contracting with Native American and minority subcontractors.

The team also provided her with mentoring and scholarships to UCLA's Management Development for Entrepreneurs and Northwestern University's Kellogg Graduate School of Management. In addition, she took advantage of several SoCalGas workshops designed to increase business owners' acumen.

"They are really a great client and partner to my firm," adds Stanhoff, who also serves as president of the American Indian Chamber of Commerce of California. "We would not be where we are today without them."

"SoCalGas helped us navigate the process of becoming a supplier, advocated for our use within their supply chain, provided us with tips for doing business with them and helped us with industry knowledge."



2017 ANNUAL PLAN - FUEL PROCUREMENT FOR NON-GENERATION

10.1.1 GOALS

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

10.1.2 PLANNED ACTIVITIES

INTERNAL ACTIVITIES

We will diligently work to increase our diverse natural gas supplier base, including providing mentoring and other assistance to high-potential emerging suppliers. We will also continue to partner with buyers and diverse firms to monitor goals and progress with Gas Acquisition staff, managers and senior management.

EXTERNAL ACTIVITIES

To increase participation of diverse natural gas suppliers, we plan to:

- Reach out to emerging diverse natural gas suppliers through industry and business associations
- Work with key organizations to identify and develop diverse suppliers and participate in energy industry fairs to promote diverse supplier opportunities
- Offer mentoring, development and educational opportunities
- Provide diverse firms support to access financing and credit institutions
- Encourage major energy companies' participation in trading with diverse businesses
- Serve in a leadership role in the NARUC Utility Marketplace Access Partnership and National Utilities Diversity Council

10.1.3 RECRUITMENT PLANS FOR LOW WMDVLGBTBE UTILIZATION

We will continue to consider competitive offers from natural gas companies originating in all markets including Canadian and offshore markets. SoCalGas plans to participate in trade fairs to recruit and engage diverse suppliers in all markets and encourage them to participate in natural gas procurement programs. The challenge going forward is the participation of banks in the FTAA program.

10.1.4 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

10.1.5 SUBCONTRACTING PLANS

There are no subcontractor opportunities currently available.

10.1.6 PROGRAM COMPLIANCE

SoCalGas will continue outreach activities to diverse firms and strive to either meet or exceed all requirements established in General Order 156. This includes working to help make sure that spend with LGBTBEs is captured.



A1 9.1.2 SoCalGas WMDVLGBTBE Annual Results by Ethnicity - 2016

		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	\$26,825,499	\$8,368,267	\$35,193,766	1.83%
	African American	\$10,701,136	\$8,954,301	\$19,655,437	1.02%
	Hispanic American	\$135,282,003	\$56,963,651	\$192,245,654	10.00%
	Native American	\$20,053,388	\$3,987,282	\$24,040,670	1.25%
	Other	\$-	\$-	\$-	0.00%
	Total Minority Male	\$192,862,026	\$78,273,501	\$271,135,527	14.10%
Minority Female	Asian Pacific American	\$18,102,041	\$1,813,313	\$19,915,354	1.04%
	African American	\$13,801,725	\$2,501,166	\$16,302,891	0.85%
	Hispanic American	\$44,975,587	\$19,661,950	\$64,637,537	3.36%
	Native American	\$1,142,758	\$75,534	\$1,218,292	0.06%
	Other	\$14,832	\$-	\$14,832	0.00%
	Total Minority Female	\$78,036,943	\$24,051,963	\$102,088,906	5.31%
Total Minority Business Enterprise (MBE)		\$270,898,969	\$102,325,464	\$373,224,433	19.41%
Women Business Enterprise (WBE)		\$203,492,709	\$62,763,286	\$266,255,995	13.84%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$50,343	\$-	\$50,343	0.00%
Service Disabled Veteran Business Enterprise (SDVBE)		\$10,046,964	\$22,885,796	\$32,932,760	1.71%
Other 8(a)*		\$-	\$-	\$-	0.00%
TOTAL WMDVLGBTBE		\$484,488,985	\$187,974,546	\$672,463,531	34.96%
Net Procurement**		\$1,923,334,705			

NOTE:

Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE

** Net procurement includes purchase order non-purchase order and credit card dollars

Direct - direct procurement

Sub - subcontractor procurement

% - percentage of net procurement

A2 9.1.2 SoCalGas WMDVLGBTBE Procurement by Product and Service Categories - Direct - 2016

			Product		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Direct	\$7,348,777	2.14%	\$19,476,721	1.23%	\$26,825,499	1.39%
	African American	Direct	\$2,839,080	0.83%	\$7,862,056	0.50%	\$10,701,136	0.56%
	Hispanic American	Direct	\$24,604,973	7.17%	\$110,677,030	7.00%	\$135,282,003	7.03%
	Native American	Direct	\$6,450,395	1.88%	\$13,602,993	0.86%	\$20,053,388	1.04%
	Other	Direct	\$-	0.00%	\$-	0.00%	\$-	0.00%
	Total Minority Male	Direct	\$41,243,225	12.02%	\$151,618,800	9.59%	\$192,862,026	10.03%
Minority Female	Asian Pacific American	Direct	\$9,567,796	2.79%	\$8,534,245	0.54%	\$18,102,041	0.94%
	African American	Direct	\$450,956	0.13%	\$13,350,769	0.84%	\$13,801,725	0.72%
	Hispanic American	Direct	\$32,384,431	9.44%	\$12,591,156	0.80%	\$44,975,587	2.34%
	Native American	Direct	\$56,022	0.02%	\$1,086,736	0.07%	\$1,142,758	0.06%
	Other	Direct	\$-	0.00%	\$14,832	0.00%	\$14,832	0.00%
	Total Minority Female	Direct	\$42,459,205	12.38%	\$35,577,738	2.25%	\$78,036,943	4.06%
Total Minority Business Enterprise (MBE)		Direct	\$83,702,431	24.40%	\$187,196,538	11.85%	\$270,898,969	14.08%
Women Business Enterprise (WBE)		Direct	\$47,660,845	13.89%	\$155,831,863	9.86%	\$203,492,709	10.58%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$-	0.00%	\$50,343	0.00%	\$50,343	0.00%
Service Disabled Veteran Business Enterprise (SDVBE)		Direct	\$1,589,700	0.46%	\$8,457,264	0.54%	\$10,046,964	0.52%
Other 8(a)*		Direct	\$-	0.00%	\$-	0.00%	\$-	0.00%
TOTAL WMDVLGBTBE		Direct	\$132,952,976	38.75%	\$351,536,008	22.25%	\$484,488,984	25.19%
Total Product Procurement \$			\$343,082,955					
Total Service Procurement \$			\$1,580,251,750					
Net Procurement**			\$1,923,334,705					
Total Number of WMDVLGBTBEs that Received Direct Spend			399					

NOTE:
 Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE
 ** Net procurement includes purchase order, non-purchase order and credit card dollars
 Direct - direct procurement
 Sub - subcontractor procurement
 % - percentage of net procurement

A3 9.1.2 SoCalGas WMDVLGBTBE Procurement by Product and Service Categories - Subcontracting - 2016

			Product		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	Asian Pacific American	Sub	\$1,381,222	0.40%	\$6,987,045	0.44%	\$8,368,267	0.44%
	African American	Sub	\$263,617	0.08%	\$8,690,684	0.55%	\$8,954,301	0.47%
	Hispanic American	Sub	\$4,921,473	1.43%	\$52,042,178	3.29%	\$56,963,651	2.96%
	Native American	Sub	\$76,385	0.02%	\$3,910,897	0.25%	\$3,987,282	0.21%
	Other	Sub	\$-	0.00%	\$-	0.00%	\$-	0.00%
	Total Minority Male	Sub	\$6,642,697	1.94%	\$71,630,804	4.53%	\$78,273,501	4.07%
Minority Female	Asian Pacific American	Sub	\$175,513	0.05%	\$1,637,800	0.10%	\$1,813,313	0.09%
	African American	Sub	-	0.00%	\$2,501,166	0.16%	\$2,501,166	0.13%
	Hispanic American	Sub	\$1,438,704	0.42%	\$18,223,246	1.15%	\$19,661,950	1.02%
	Native American	Sub	\$70,662	0.02%	\$4,872	0.00%	\$75,534	0.00%
	Other	Sub	\$-	0.00%	\$-	0.00%	\$-	0.00%
	Total Minority Female	Sub	\$1,684,879	0.49%	\$22,367,084	1.42%	\$24,051,963	1.25%
Total Minority Business Enterprise (MBE)		Sub	\$8,327,576	2.43%	\$93,997,888	5.95%	\$102,325,464	5.32%
Women Business Enterprise (WBE)		Sub	\$7,151,712	2.08%	\$55,611,574	3.52%	\$62,763,286	3.26%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$-	0.00%	\$-	0.00%	\$-	0.00%
Service Disabled Veteran Business Enterprise (SDVBE)		Sub	\$1,483,868	0.43%	\$21,401,928	1.35%	\$22,885,796	1.19%
Other 8(a)*		Sub	\$-	0.00%	\$-	0.00%	\$-	0.00%
TOTAL WMDVLGBTBE		Sub	\$16,963,156	4.94%	\$171,011,390	10.82%	\$187,974,546	9.77%
Total Product Procurement \$			\$343,082,955					
Total Service Procurement \$			\$1,580,251,750					
Net Procurement**			\$1,923,334,705					

NOTE:
 Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE
 ** Net procurement includes purchase order, non-purchase order and credit card dollars
 Direct - direct procurement
 Sub - subcontractor procurement
 % - percentage of net procurement

A4 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Products

SIC Category	Asian American		African American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Other 8(a)**	Total WMDVLGBTBE	Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female							
14 - Mining & Quarrying Of Nonmetallic Minerals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$19,399
	0.00%	0.00%	0.00%	0.00%	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 - Apparel & Oth Finished Prods Made From Fabric	354,953	-	-	-	-	-	-	-	-	-	354,953	51,707	-	-	-	406,660	\$572,099
	62.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	62.04%	9.04%	0.00%	0.00%	0.00%	71.08%	
24 - Lumber & Wood Prods, Exc Furniture	-	-	-	-	27,032	-	-	-	-	-	27,032	-	-	44,331	-	71,363	\$231,468
	0.00%	0.00%	0.00%	0.00%	11.68%	0.00%	0.00%	0.00%	0.00%	0.00%	11.68%	0.00%	0.00%	19.15%	0.00%	30.83%	
25 - Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,456,104
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
26 - Paper & Allied Prods	-	-	-	-	-	-	-	-	-	-	-	70,800	-	5,795	-	76,595	\$5,819,357
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.22%	0.00%	0.10%	0.00%	1.32%	
28 - Chemicals & Allied Prods	-	-	-	-	6,400	-	-	-	-	-	6,400	1,566	-	-	-	7,966	\$4,616,066
	0.00%	0.00%	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.03%	0.00%	0.00%	0.00%	0.17%	
29 - Petroleum Refining & Related Industries	-	-	-	-	-	-	-	-	-	-	-	414,769	-	74,719	-	489,488	\$2,084,624
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19.90%	0.00%	3.58%	0.00%	23.48%	
30 - Rubber & Misc Plastics Prods	3,196	-	-	-	-	-	-	-	-	-	3,196	-	-	72	-	3,268	\$6,567,799
	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.05%	
32 - Stone, Clay, Glass & Concrete Prods	-	-	-	-	68,027	-	-	-	-	-	68,027	-	-	-	-	68,027	\$1,225,785
	0.00%	0.00%	0.00%	0.00%	5.55%	0.00%	0.00%	0.00%	0.00%	0.00%	5.55%	0.00%	0.00%	0.00%	0.00%	5.55%	
33 - Primary Metal Industries	6,813,726	-	-	-	97,267	-	-	-	-	-	6,910,992	-	-	-	-	6,910,992	\$24,743,436
	27.54%	0.00%	0.00%	0.00%	0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	27.93%	0.00%	0.00%	0.00%	0.00%	27.93%	
34 - Fabricated Metal Prods, Exc Machinery	-	-	-	-	2,470,141	4,423	1,722	-	-	-	2,476,286	617,854	-	-	-	3,094,140	\$19,655,008
	0.00%	0.00%	0.00%	0.00%	12.57%	0.02%	0.01%	0.00%	0.00%	0.00%	12.60%	3.14%	0.00%	0.00%	0.00%	15.74%	
35 - Industrial & Commercial Machinery & Computer Equip	-	-	1,052,860	445,750	40,400	-	26,964	-	-	-	1,565,975	341,848	-	-	-	1,907,822	\$30,847,256
	0.00%	0.00%	3.41%	1.45%	0.13%	0.00%	0.09%	0.00%	0.00%	0.00%	5.08%	1.11%	0.00%	0.00%	0.00%	6.18%	
36 - Electronic & Oth Elec Equip & Components	26,839	-	-	-	107,328	-	-	-	-	-	134,167	44,843	-	-	-	179,010	\$5,920,956
	0.45%	0.00%	0.00%	0.00%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	2.27%	0.76%	0.00%	0.00%	0.00%	3.02%	
37 - Transportation Equip	-	-	-	-	8,649,287	-	-	-	-	-	8,649,287	410	-	-	-	8,649,698	\$9,304,523
	0.00%	0.00%	0.00%	0.00%	92.96%	0.00%	0.00%	0.00%	0.00%	0.00%	92.96%	0.00%	0.00%	0.00%	0.00%	92.96%	
38 - Measuring, Analyzing & Controlling Instruments	141,283	-	-	-	24,636	-	-	-	-	-	165,919	4,763,160	-	-	-	4,929,078	\$36,389,745
	0.39%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.46%	13.09%	0.00%	0.00%	0.00%	13.55%	

A4 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Products (CONTINUED)

SIC Category	Asian American		African American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Other 8(a)**	Total WMDVLGBTBE	Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female							
39 - Misc Manufacturing Industries	10,025	-	-	-	-	-	-	-	-	-	10,025	5,450	-	-	-	15,475	\$1,436,536
	0.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.38%	0.00%	0.00%	0.00%	1.08%	
50 - Wholesale Trade; Durable Goods	1,379,978	9,716,572	2,009,793	-	1,332,177	33,000,848	6,497,771	66,138	-	-	54,003,276	9,242,513	-	1,332,787	-	64,578,576	\$116,285,091
	1.19%	8.36%	1.73%	0.00%	1.15%	28.38%	5.59%	0.06%	0.00%	0.00%	46.44%	7.95%	0.00%	1.15%	0.00%	55.53%	
51 - Wholesale Trade; Nondurable Goods	-	26,737	36,612	5,206	2,982,423	78,036	-	-	-	-	3,129,014	28,562,821	-	1,595,754	-	33,287,589	\$41,401,838
	0.00%	0.06%	0.09%	0.01%	7.20%	0.19%	0.00%	0.00%	0.00%	0.00%	7.56%	68.99%	0.00%	3.85%	0.00%	80.40%	
52 - Bldg Matls, Hardware, Garden Supply	-	-	1,474	-	3,745	-	-	-	-	-	5,219	14,516	-	-	-	19,735	\$3,568,535
	0.00%	0.00%	0.04%	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.41%	0.00%	0.00%	0.00%	0.55%	
55 - Automotive Dirs & Gasoline Service Stations	-	-	-	-	13,348,382	-	323	-	-	-	13,348,705	9,244,682	-	-	-	22,593,387	\$25,179,162
	0.00%	0.00%	0.00%	0.00%	53.01%	0.00%	0.00%	0.00%	0.00%	0.00%	53.01%	36.72%	0.00%	0.00%	0.00%	89.73%	
57 - Home Furniture, Furnishings & Equip Stores	-	-	-	-	-	-	-	60,546	-	-	60,546	293,177	-	-	-	353,723	\$530,728
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.41%	0.00%	0.00%	11.41%	55.24%	0.00%	0.00%	0.00%	66.65%	
58 - Eating & Drinking Places	-	-	1,959	-	-	-	-	-	-	-	1,959	471,482	-	-	-	473,441	\$2,643,223
	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	17.84%	0.00%	0.00%	0.00%	17.91%	
59 - Misc Retail	-	-	-	-	369,201	739,828	-	-	-	-	1,109,029	670,959	-	20,110	-	1,800,098	\$2,584,218
	0.00%	0.00%	0.00%	0.00%	14.29%	28.63%	0.00%	0.00%	0.00%	0.00%	42.92%	25.96%	0.00%	0.78%	0.00%	69.66%	
Total Product Procurement	8,729,999	9,743,309	3,102,697	450,956	29,526,446	33,823,135	6,526,780	126,684	-	-	92,030,007	54,812,557	-	3,073,568	-	149,916,132	\$343,082,955
	2.54%	2.84%	0.90%	0.13%	8.61%	9.86%	1.90%	0.04%	0.00%	0.00%	26.82%	15.98%	0.00%	0.90%	0.00%	43.70%	

Total Product Procurement \$	343,082,955
Total Service Procurement \$	1,580,251,750
Net Procurement**	1,923,334,705

NOTE:

Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE
 ** Net procurement includes purchase order, non-purchase order and credit card dollars
 Direct - direct procurement
 Sub - subcontractor procurement
 % - percentage of net procurement

A5 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Services

SIC Category	Asian American		African American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female							
07 - Agricultural Svcs	-	-	-	-	648,253	-	-	-	-	14,832	663,085	2,664	-	-	-	665,748	\$2,208,221
	0.00%	0.00%	0.00%	0.00%	29.36%	0.00%	0.00%	0.00%	0.00%	0.67%	30.03%	0.12%	0.00%	0.00%	0.00%	30.15%	
13 - Oil & Gas Extraction	-	1,824,730	-	-	-	-	5,787,372	-	-	-	7,612,101	381,447	-	-	-	7,993,548	\$99,737,762
	0.00%	1.83%	0.00%	0.00%	0.00%	0.00%	5.80%	0.00%	0.00%	0.00%	7.63%	0.38%	0.00%	0.00%	0.00%	8.01%	
15 - Bldg Const-General Contractors	-	-	1,288,112	91,555	14,955,378	26,618	110,639	-	-	-	16,472,302	24,560,141	-	17,121,334	-	58,153,777	\$59,420,367
	0.00%	0.00%	2.17%	0.15%	25.17%	0.04%	0.19%	0.00%	0.00%	0.00%	27.72%	41.33%	0.00%	28.81%	0.00%	97.87%	
16 - Heavy Const Oth Than Bldg Construction	-	-	208,323	-	71,411,009	97,207	1,768,952	-	-	-	73,485,491	18,456,226	-	-	-	91,941,716	\$290,036,581
	0.00%	0.00%	0.07%	0.00%	24.62%	0.03%	0.61%	0.00%	0.00%	0.00%	25.34%	6.36%	0.00%	0.00%	0.00%	31.70%	
17 - Const-Special Trade Contractors	4,551,269	174,965	5,795,776	8,190	20,359,884	9,495,048	4,915,951	-	-	-	45,301,083	55,616,199	-	2,138,036	-	103,055,318	\$254,691,645
	1.79%	0.07%	2.28%	0.00%	7.99%	3.73%	1.93%	0.00%	0.00%	0.00%	17.79%	21.84%	0.00%	0.84%	0.00%	40.46%	
27 - Printing, Publishing & Allied Industries	1,399,428	-	-	-	64,812	6,897	-	-	-	-	1,471,136	623,196	-	37,340	-	2,131,672	\$5,001,975
	27.98%	0.00%	0.00%	0.00%	1.30%	0.14%	0.00%	0.00%	0.00%	0.00%	29.41%	12.46%	0.00%	0.75%	0.00%	42.62%	
42 - Motor Freight Transportation & Warehousing	3,876	13,800	2,268,761	219,462	10,463,281	6,715,508	-	-	-	-	19,684,688	7,706,917	-	135,967	-	27,527,572	\$47,652,214
	0.01%	0.03%	4.76%	0.46%	21.96%	14.09%	0.00%	0.00%	0.00%	0.00%	41.31%	16.17%	0.00%	0.29%	0.00%	57.77%	
45 - Transportation By Air	-	-	-	-	-	-	-	4,872	-	-	4,872	-	-	-	-	4,872	\$41,743
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.67%	0.00%	0.00%	11.67%	0.00%	0.00%	0.00%	0.00%	11.67%	
46 - Pipelines, Exc Natural Gas	-	-	-	-	-	-	-	-	-	-	-	10,763,400	-	-	-	10,763,400	\$10,763,400
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%	
47 - Transportation Svcs	-	-	591,028	-	164,640	-	-	-	-	-	755,668	257,166	-	-	-	1,012,834	\$2,234,310
	0.00%	0.00%	26.45%	0.00%	7.37%	0.00%	0.00%	0.00%	0.00%	0.00%	33.82%	11.51%	0.00%	0.00%	0.00%	45.33%	
48 - Communications	-	-	-	-	-	4,579,225	-	-	-	-	4,579,225	301,456	-	-	-	4,880,681	\$6,109,536
	0.00%	0.00%	0.00%	0.00%	0.00%	74.95%	0.00%	0.00%	0.00%	0.00%	74.95%	4.93%	0.00%	0.00%	0.00%	79.89%	
49 - Electric, Gas & Sanitary Svcs	-	-	-	-	2,537,182	-	-	-	-	-	2,537,182	797,346	-	5,460,799	-	8,795,327	\$19,233,697
	0.00%	0.00%	0.00%	0.00%	13.19%	0.00%	0.00%	0.00%	0.00%	0.00%	13.19%	4.15%	0.00%	28.39%	0.00%	45.73%	
60 - Depository Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$968,915
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
62 - Security & Commodity Brokers, Dlrs, Exchanges	-	-	503,750	-	520,650	-	-	-	-	-	1,024,400	-	-	-	-	1,024,400	\$20,040,579
	0.00%	0.00%	2.51%	0.00%	2.60%	0.00%	0.00%	0.00%	0.00%	0.00%	5.11%	0.00%	0.00%	0.00%	0.00%	5.11%	
64 - Insurance Agents, Brokers & Svcs	-	-	-	492,132	-	-	-	-	-	-	492,132	-	-	-	-	492,132	\$1,290,593
	0.00%	0.00%	0.00%	38.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	38.13%	0.00%	0.00%	0.00%	0.00%	38.13%	

A5 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Services (CONTINUED)

Products	Asian American		African American		Hispanic American		Native American		Other		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Other 8(a)**	Total WMDVLGBTBE	Total
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female							
72 - Personal Svcs	238,184	-	-	-	-	-	-	-	-	-	238,184	768,033	-	-	-	1,006,217	\$3,503,102
	6.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.80%	21.92%	0.00%	0.00%	0.00%	28.72%	
73 - Business Svcs	4,630,575	4,886,386	4,647,686	11,231,727	12,227,616	5,276,109	142,896	16,031	-	-	43,059,027	42,211,204	50,343	1,233,921	-	86,554,495	\$277,045,087
	1.67%	1.76%	1.68%	4.05%	4.41%	1.90%	0.05%	0.01%	0.00%	0.00%	15.54%	15.24%	0.02%	0.45%	0.00%	31.24%	
75 - Automotive Repair, Svcs & Parking	-	-	570	-	62,074	29,786	-	-	-	-	92,430	22,925	-	-	-	115,355	\$1,788,325
	0.00%	0.00%	0.03%	0.00%	3.47%	1.67%	0.00%	0.00%	0.00%	0.00%	5.17%	1.28%	0.00%	0.00%	0.00%	6.45%	
76 - Misc Repair Svcs	-	-	-	-	-	-	-	-	-	-	-	588,751	-	-	-	588,751	\$10,471,225
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.62%	0.00%	0.00%	0.00%	5.62%	
78 - Motion Pictures	-	-	-	105,266	-	-	-	-	-	-	105,266	-	-	-	-	105,266	\$119,421
	0.00%	0.00%	0.00%	88.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	88.15%	0.00%	0.00%	0.00%	0.00%	88.15%	
80 - Health Svcs	-	1,033,564	-	-	305,156	-	-	-	-	-	1,338,720	-	-	-	-	1,338,720	\$2,098,600
	0.00%	49.25%	0.00%	0.00%	14.54%	0.00%	0.00%	0.00%	0.00%	0.00%	63.79%	0.00%	0.00%	0.00%	0.00%	63.79%	
81 - Legal Svcs	750,618	603,463	-	844,643	392,221	19,443	-	-	-	-	2,610,388	743,347	-	-	-	3,353,735	\$41,683,252
	1.80%	1.45%	0.00%	2.03%	0.94%	0.05%	0.00%	0.00%	0.00%	0.00%	6.26%	1.78%	0.00%	0.00%	0.00%	8.05%	
82 - Educational Svcs	-	-	-	-	-	1,315,064	-	-	-	-	1,315,064	3,911	-	-	-	1,318,975	\$1,376,367
	0.00%	0.00%	0.00%	0.00%	0.00%	95.55%	0.00%	0.00%	0.00%	0.00%	95.55%	0.28%	0.00%	0.00%	0.00%	95.83%	
83 - Social Svcs	-	-	207,400	-	719,795	-	-	-	-	-	927,195	-	-	-	-	927,195	\$1,874,239
	0.00%	0.00%	11.07%	0.00%	38.40%	0.00%	0.00%	0.00%	0.00%	0.00%	49.47%	0.00%	0.00%	0.00%	0.00%	49.47%	
87 - Engrg, Accounting, Research, Mgmt	14,702,616	1,565,676	339,280	2,826,406	27,833,394	1,040,210	4,788,081	52,213	-	-	53,147,877	41,675,432	-	2,213,467	-	97,036,776	\$280,271,282
	5.25%	0.56%	0.12%	1.01%	9.93%	0.37%	1.71%	0.02%	0.00%	0.00%	18.96%	14.87%	0.00%	0.79%	0.00%	34.62%	
89 - Svcs, Not Elsewhere Classified	187,199	69,461	702,054	32,553	53,864	2,213,288	-	1,018,492	-	-	4,276,912	5,687,815	-	1,518,328	-	11,483,055	\$95,367,670
	0.20%	0.07%	0.74%	0.03%	0.06%	2.32%	0.00%	1.07%	0.00%	0.00%	4.48%	5.96%	0.00%	1.59%	0.00%	12.04%	
99 - Nonclassifiable Establishments	-	-	-	-	-	-	-	-	-	-	-	275,863	-	-	-	275,863	\$45,221,644
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.61%	0.00%	0.00%	0.00%	0.61%	
Total Service Procurement	26,463,766	10,172,045	16,552,740	15,851,935	162,719,208	30,814,402	17,513,890	1,091,608	-	14,832	281,194,426	211,443,437	50,343	29,859,192	-	522,547,398	\$1,580,251,750
	1.67%	0.64%	1.05%	1.00%	10.30%	1.95%	1.11%	0.07%	0.00%	0.00%	17.79%	13.38%	0.00%	1.89%	0.00%	33.07%	

Total Product Procurement \$ \$343,082,955

Total Service Procurement \$ \$1,580,251,750

Net Procurement** \$1,923,334,705

NOTE:

Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE

** Net procurement includes purchase order, non-purchase order and credit card dollars

Direct - direct procurement

Sub - subcontractor procurement

A6 9.1.10A Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification - 2016

Product ¹		Unit	Results by Ethnicity and Gender											Results by WMDVBE Certification					Total WMDVLGBTBE Procurement Spend	Total Procurement Spend	
			Asian Pacific American			African American			Hispanic American			Native American			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Service Disabled Veteran Business Enterprise (SDVBE)			Other 8(a)3
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total							
NATURAL GAS	Short Term	\$	\$-	\$10,845,394	\$10,845,394	\$2,554,828	\$11,204,069	\$13,758,896	\$4,500,821	\$-	\$4,500,821	\$21,835,740	\$-	\$21,835,740	\$50,940,851	\$1,199,121	\$-	\$1,196,153	\$-	\$53,336,126	\$416,704,203
		%	0.0%	2.6%	2.6%	0.6%	2.7%	3.3%	1.1%	0.0%	1.1%	5.2%	0.0%	5.2%	12.2%	0.3%	0.0%	0.3%	0.0%	12.8%	40.4%
	Long Term	\$	\$-	\$3,951,725	\$3,951,725	\$20,397,158	\$3,411,756	\$23,808,913	\$20,762,329	\$-	\$20,762,329	\$7,955,014	\$-	\$7,955,014	\$56,477,981	\$20,762,512	\$-	\$20,594,183	\$-	\$97,834,676	\$614,912,306
		%	0.0%	0.6%	0.6%	3.3%	0.6%	3.9%	3.4%	0.0%	3.4%	1.3%	0.0%	1.3%	9.2%	3.4%	0.0%	3.3%	0.0%	15.9%	59.6%
	Total Natural Gas	\$	\$-	\$14,797,119	\$14,797,119	\$22,951,985	\$14,615,824	\$37,567,810	\$25,263,150	\$-	\$25,263,150	\$29,790,753	\$-	\$29,790,753	\$107,418,832	\$21,961,633	\$-	\$21,790,336	\$-	\$151,170,801	\$1,031,616,509
		%	0.0%	1.4%	1.4%	2.2%	1.4%	3.6%	2.4%	0.0%	2.4%	2.9%	0.0%	2.9%	10.4%	2.1%	0.0%	2.1%	0.0%	14.7%	100%
LPG	Short Term	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
	Long Term	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
	Total Natural Gas	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Overall Total \$		\$	\$-	\$14,797,119	\$14,797,119	\$22,951,985	\$14,615,824	\$37,567,810	\$25,263,150	\$-	\$25,263,150	\$29,790,753	\$-	\$29,790,753	\$107,418,832	\$21,961,633	\$-	\$21,790,336	\$-	\$151,170,801	\$1,031,616,509
Overall Total %		%	0.0%	1.4%	1.4%	2.2%	1.4%	3.6%	2.4%	0.0%	2.4%	2.9%	0.0%	2.9%	10.4%	2.1%	0.0%	2.1%	0.0%	Overall WMDVLGBTBE%	14.7%

NOTE:

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

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

A7 9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse - 2016

# WMDVLGBTBEs	Data On Number of Suppliers											
	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	SDVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	SDVBE	Other 8(a)*	Grand Total
Under \$1 million	140	85	2	44	0	271	296	224	2	39	0	561
Under \$5 million	83	76	0	0	0	159	45	25	0	4	0	74
Under \$10 million	36	34	0	1	0	71	16	13	0	1	0	30
Above \$10 million	104	73	0	0	0	177	6	6	0	1	0	13
TOTAL	363	268	2	45	0	678	363	268	2	45	0	678

# WMDVLGBTBEs	Revenue and Payment Data											
	Revenue Reported to CHS						Utility-Specific 2016 Summary					
	MBE	WBE	LGBTBE	SDVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	SDVBE	Other 8(a)*	Grand Total
Under \$1 million	33.5	25.0	0	0	0	58.5	46.3	32.1	0	7	0	85.9
Under \$5 million	220.3	193.2	0	0	0	413.5	102.9	61.9	0	7	0	171.7
Under \$10 million	269.7	250.3	0	5.6	0	525.5	120.1	91.9	0	5	0	217.4
Above \$10 million	47,715.3	13,013.6	0	0	0	60,728.9	103.9	80.4	0	13	0	197.4
TOTAL	48,238.8	13,482.0	0	5.6	0	61,726.4	373.2	266.3	0	33	0	672.4

NOTE:

*Firms classified as 8(a) of Small Business Administration includes non-WMDVLGBTBE
 Chs: supplier clearinghouse



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