

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 16, 2018**

1. Please provide a copy of the GO156 Annual Report SDGE filed each year from 2012 to 2018. If any year's report is currently unavailable, please give an estimate of when it will be provided.

**Utilities Response 1:**

Please see:

SDG&E DBE 2012 Annual Report.pdf  
SDG&E DBE 2013 Annual Report.pdf  
SDG&E DBE 2014 Annual Report.pdf  
SDG&E DBE 2015 Annual Report.pdf  
SDG&E DBE 2016 Annual Report.pdf  
SDG&E DBE 2017 Annual Report.pdf

The 2018 report is not available and will not be produced until the first half of 2019.



**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

3. What are the internal aspirational goals for spending with diverse suppliers at SDGE for each year of the upcoming GRC period?

**Utilities Response 3:**

The aspirational goal of 40% will continue through years 2019 – 2022.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

4. Provide detailed information regarding the percentage and total dollar amount of contracts awarded by SDGE annually since 2012 to minority business enterprises. Please break down the businesses by owner ethnicity, and for Asian American owned businesses, differentiate by major pan-Asian subethnic groups (such as Chinese, Japanese, Korean, Filipino, Vietnamese, etc.) to the extent that such information is available.

**Utilities Response 4:**

This information is not available as the dollar amounts associated with contracts awarded to minority business enterprises are not tracked or reported in this fashion.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

5. Provide detailed information on technical assistance and capacity building programs offered by SDGE to develop minority business enterprises. Specify how much was spent for each program, and what organizations received funding and participated.

**Utilities Response 5:**

The annual spending details for technical assistance and capacity building programs are depicted in the table below.

<b>Expense Category (\$ thousands)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Wages	\$ 479	\$ 520	\$ 531	\$ 575	\$ 596	\$ 512
Programs & Technical Assistance	\$ 329	\$ 503	\$ 446	\$ 425	\$ 320	\$ 285
Consultants	\$ 89	\$ 76	\$ 69	\$ 58	\$ 7	\$ 52
Capacity Building (shareholder funded)	\$ 190	\$ 160	\$ 140	\$ 130	\$ 90	\$ 88
<b>Total</b>	<b>\$1,087</b>	<b>\$ 1,259</b>	<b>\$ 1,186</b>	<b>\$ 1,188</b>	<b>\$ 1,013</b>	<b>\$ 937</b>

The list of organizations that received funding and participated technical assistance and capacity building programs is provided by year in the table below.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

**Utilities Response 5 Continued:**

<b>Participating Organizations</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
American Association of Blacks in Energy	X			X	X	X
Asian Business Associations	X			X	X	X
Asian Business Associations Orange County		X	X	X	X	X
Asian Business Association San Diego		X	X	X	X	X
American Indian Chamber of Commerce, California	X	X	X	X	X	X
Black Business Association	X	X	X	X	X	X
Black Chamber of Orange County		X	X	X		
Black Economic Council	X					
Cal Asian Chamber of Commerce	X	X	X	X	X	X
California Black Chamber of Commerce	X	X	X	X	X	X
California DVBE Alliance	X	X	X	X	X	X
California Hispanic Chamber of Commerce	X	X	X	X	X	X
Central San Diego Black Chamber of Commerce	X	X	X	X	X	X
Chinese American Construction Professionals					X	
Council for Supplier Diversity			X			
Diversity Professional Connect	X	X		X	X	X
Edison Electric Institute	X	X	X	X	X	X
Elite Service Disabled Veteran Owned Business	X	X	X	X	X	X
Greater LA African American Chamber of Commerce	X	X	X	X	X	X
Greenlining	X	X	X	X	X	X
Latin Business Association	X					
Multi-Culture Group				X	X	
National Association of Regulatory Utility Commissioners	X		X	X	X	X
National Association of Women Business Owners- LA	X	X	X	X	X	X
National Association of Women Business Owners- SD	X	X	X	X	X	X
National Council of Minorities in Energy		X				
National Gay & Lesbian Chamber of Commerce			X	X	X	X
National Latina Business Women Association	X					
National Minority Supplier Development Council	X	X	X	X	X	X
San Diego Business Journal				X	X	X
San Diego Council for Development			X			
SCORE						X
Southern California Economic Summit			X	X	X	X
Southern California Regional Minority Business Development Council	X	X	X			
Southern California Minority Business Development Council	X	X	X	X	X	X
United States Hispanic Chamber of Commerce	X					
Women's Business Enterprise Council - West	X	X	X	X	X	X
Women's Business Enterprise Council	X	X	X	X	X	X
	26	23	26	28	28	27

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

6. For any technical assistance and capacity building programs offered by SDGE to develop minority business enterprises, explain any target goals for the programs, whether such goals were attained, and how the programs were evaluated.

**Utilities Response 6:**

Technical Assistance and Capacity Building programs did not have any target number of attendees. Programs were evaluated for effectiveness through individual participant's evaluations/surveys. Changes in programs were adjusted based on recommendations/input from suppliers and community-based organizations.

SDG&E's provided the follow Technical Assistance and Capacity Building programs to its diverse suppliers:

- Technical Assistance – Provides well rounded and comprehensive programs to increase business acumen for diverse business owners at all levels and across functional business areas.
- Tier 1 – Supplier Objectives: Identify core capabilities and develop metrics for supporting growth. Address business challenges and risk. Develop an action plan and a toolkit to overcome barriers, MBG - Master Business Growth (10-week program).
- Tier 2 – Supplier Objectives: Focus on capacity expansion and increasing revenue. Establish a strategic growth plan and identify methods to maximize profits. SDSU - Entrepreneurial Management (40 hr program).
- Tier 3 – Supplier Objectives: Focus on key areas of expertise and leveraging subcontractors for areas that are not part of a supplier's core competency. Create value-added and innovative products and services. Proactively anticipate and prepare for future change. Develop a sustainable business model. UCLA - Advanced Technology Management Institute).
- Small Contractor Opportunity Realization Effort (SCORE) - Provides opportunities for new and growing diverse suppliers companies to demonstrate their abilities to work with utilities through low dollar, short term agreements, typically under \$75,000.
- Financial Capability Series (FCS) - This technical assistance series is designed for existing and potential suppliers who want to strengthen their financial capacity and improve supplier's capital accessibility. Suppliers receive a self-generated guided action plan/financial roadmap to 1) identify capital needs, 2) strengthen banking relationships, 3) understand the different types of financial product/services. In 2015, we provided this training to over 45 businesses.
- Supplier Quick Pay Program (SQPP) - This program pays small businesses within 15 days, rather than the standard 45 days, which boosts their access to working capital. When these small businesses get paid faster they are able to run their businesses better. SQPP helps provide resources to grow their business and hire additional employees. In 2015, SDG&E enrolled 30 new suppliers.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

**Utilities Response 6 Continued:**

- Best In Class (BIC) - BIC was created in 2017 based on feedback from suppliers of established companies with revenues greater than \$5 million. As a result, SDG&E enhanced the technical assistance program by creating the BIC program to address this market segment. The program utilizes case studies of well-known businesses to guide company executives to plan strategically by analyzing current business trends.

SDG&E believes it met its goals in 2012-2017, which focused on the following issues:

2012 - Goals were focused on Tiers I,II,III.

2013 - Goals were focused on Tiers I,II,III.

2014 - Goals were focused on Tiers I,II,III.

2015 - Goals were focused on Tiers I, SCORE.

2016 - Goals were focused on Tiers I, SCORE, Access to Capital - Financial Capability Series, Supplier Quick Pay).

2017 - Goals were focused on growing the medium to large suppliers (Best In Class), SCORE, Access to Capital - Supplier Quick Pay.

2018 - Goals are to focus on growing the medium to large suppliers (Best in Class), SCORE, and Access to Capital - Financial Capability Series, Supplier Quick Pay.



**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

7. For any technical assistance, supplier outreach, and capacity building programs offered by SDGE to develop minority business enterprises, explain any modifications that have occurred over the past five years, and any planned modifications to such programs during the next GRC cycle.

**Utilities Response 7:**

The primary modifications that occurred or are planned to occur to the technical assistance, supplier outreach, and capacity building programs offered by SDG&E are detailed by year below. Every year, we evaluate our technical assistance programs to adapt to changes within the energy industry and support the needs of our suppliers and community.

- 2012 - Introduction of new 10-week program; Mastering Business Growth (MBG), focused on new and developing suppliers
- 2013 - Continue to focus on existing programs
- 2014 - Continue to focus on existing programs
- 2015 - Provide opportunities for small contractors
- 2016 - Provide programs to assist suppliers in gaining access to capital
- 2017 - Expand opportunities for the medium to large suppliers

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

8. How did SDGE determine that a five-year average baseline methodology was the best representation of future costs for the supplier diversity category?

**Utilities Response 8:**

Supplier Diversity's forecast was developed using a five-year historical average methodology. A five-year historical average represents a reasonable basis to estimate operational needs for TY 2019 because Supplier Diversity's costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors. As such, Supplier Diversity uses a five-year historical average, which reflects the variances in costs from year-to-year and represents a reasonable basis to estimate operational needs for TY 2019.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

9. What accounts for the higher (\$812,000) labor cost for SDGE's supplier diversity category in 2014? (SDGE-20-WP at 28)

**Utilities Response 9:**

In 2014, the scope of the Supplier Diversity team included Supplier Relationship Management and additional FTEs were needed to address the added workload. In 2015, the two additional FTEs transitioned back into other functions within Supply Management. The five-year historical average forecast methodology is still appropriate as these FTEs were retained within the Supply Management organization and the methodology was consistently applied across the entire organization.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

10. What accounts for the lower non-labor costs from 2014-2016, versus from 2012-2013 for SDGE's supplier diversity category? (SDGE-20-WP at 28)

**Utilities Response 10:**

During 2012 and 2013, Supplier Diversity utilized more purchased labor for consulting; additionally, the team participated in more outreach activities. Since 2014, our focus has been more internal; creating a stronger team of Champions and Ambassadors to drive the Supplier Diversity results.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

11. What accounts for SDGE's supplier diversity non-labor forecast adjustments (\$100,000) for 2018 and 2019? (SDGE-20-WP at 29)

**Utilities Response 11:**

The forecast adjustment of \$100,000 for 2018 and 2019 represents costs required to ramp up our recruitment efforts for suppliers in underutilized areas, increase efforts for supplier development and expansion in highly specialized areas of the company such as Energy Storage and Smart Grid Technologies.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 16, 2018**

12. Please provide a copy of the GO156 Annual Report SoCalGas filed each year from 2012 to 2018. If any year's report is currently unavailable, please give an estimate of when it will be provided.

**Utilities Response 12:**

Please see the following attachments:

SoCalGas Supplier Diversity Annual Report\_2012.pdf  
SoCalGas Supplier Diversity Annual Report\_2013.pdf  
SoCalGas Supplier Diversity Annual Report\_2014.pdf  
SoCalGas Supplier Diversity Annual Report\_2015.pdf  
SoCalGas Supplier Diversity Annual Report\_2016.pdf  
SoCalGas Supplier Diversity Annual Report\_2017.pdf

The 2018 report is not available and will not be produced until the first half of 2019.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

13. Aside from the goals of GO156, what were the internal aspirational goals for spending with diverse suppliers at SoCalGas for each year of the prior GRC period, and were they attained?

**Utilities Response 13:**

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.

SoCalGas has surpassed our goal of 38 percent each year with the exception of 2016, in which our results were 35 percent.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

14. What are the internal aspirational goals for spending with diverse suppliers at SoCalGas for each year of the upcoming GRC period?

**Utilities Response 14:**

Our internal aspirational goal will continue to be 38% with diverse suppliers.



**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

15. Provide detailed information regarding the percentage and dollar amount of contracts awarded by SoCalGas annually since 2012 to minority business enterprises. Please break down the businesses by owner ethnicity, and for Asian American owned businesses, differentiate by major pan-Asian subethnic groups (such as Chinese, Japanese, Korean, Filipino, Vietnamese, etc.) to the extent that such information is available.

**Utilities Response 15:**

We do not track dollar amount of contracts awarded to businesses by owner ethnicity or for Asian American owned businesses, differentiated by major Pan-Asian sub-ethnic groups.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

16. Provide detailed information on technical assistance and capacity building programs offered by SoCalGas to develop minority business enterprises. Specify how much was spent for each program, and what organizations received funding and participated.

**Utilities Response 16:**

We continued to collaborate with ethnic and minority business advocacy organizations and support our mutual goals to help diverse firms grow and become more successful. We also invested in universities, business and community programs to increase diverse firms' business acumen and help grow capacity. A combined total of \$377K was spent on Technical Assistance and Capacity building programs in 2017.

**Technical Assistance Programs**

UCLA MDE Program

UCLA SDV Program

Southern California Miority Supplier Development Council

Business Management & Leaderhip Academy

National Association of Minority Contractors Business Development Program

Natiponal Assocaiton of Women Business Owners Techical Assistance Program

**New Pilot Programs**

Based on comments from our Mastering Business Growth (MBG) program, we launched three technical assistance and development pilot programs for existing and other interested diverse businesses.

**Business Assessment, Higher Growth Strategies** - A webinar-based program that assesses the condition of businesses, identifies areas for improvement, creates a plan to enhance pperformance and provides follow-up at soecified intervals to monitor progress.

**Elevate Entrepreneur Institute, Spectrum Knowledge** - A three-part calss that features topics such as strategic thinking, tactics and to align goals and stay adaptable.

**Business Continuity, Guided Business Plan** - Aimed at helping business owners resume operations after a major crisis, including natural disasters and a cyber attack.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

	2012	2013	2014	2015	2016	2017
Asian Pacific Islander American Chamber of Commerce and Entrepreneurship (ACE)				X		
American Indian Chamber of Commerce of California	X	X	X	X	X	X
Asian Business Association (ABA) - LA	X	X	X	X	X	X
Asian Business Association - Orange County	X	X	X	X	X	X
Black Business Association (BBA) - LA	X	X	X	X	X	X
Black Contractors Association				X	X	X
California Asian Chamber	X	X	X	X	X	X
California Black Chamber of Commerce	X	X	X	X	X	X
Disabled Veteran Business Alliance - California	X	X	X	X	X	X
California Hispanics Chamber of Commerce	X	X	X	X	X	X
Chinese American Construction Professionals (CACFP)				X	X	X
Edison Electric Institute	X	X				
Elite SDV/OB - National	X	X	X	X	X	X
Greater Los Angeles African American Chamber of Commerce (GLAAACC)	X	X	X	X	X	X
Latin Business Association (LBA)	X	X	X	X	X	X
Los Angeles Latino Business Chamber of Commerce (formerly Latino Business Chamber of Greater Los Angeles)	X	X	X	X	X	X
The Latino Coalition		X	X	X	X	X
NAAMC National Association Minority Contractors	X					
NAAMC of Southern California - National Association Minority Contractors	X	X	X	X	X	X
National Association of Women Business Owners (NAWBO) - LA	X	X	X	X	X	X
National Latina Business Women Association - Inland Empire			X	X	X	X
National Latina Business Women Association - LA	X	X	X	X	X	X
National Minority Supplier Development Council (NMSDC) - National Conference						
National Utility Diversity Council (NUDC) - California		X	X	X	X	X
National Gay & Lesbian Chamber of Commerce (NGLCC)			X	X	X	X
Recycling Black Dollars	X	X	X	X	X	X
Southern California Minority Supplier Develop Council (SCMSDC)	X	X	X	X	X	X
Women's Business Enterprise Council (WBEC) - Western Region	X	X	X	X	X	X
Long Beach Gay & Lesbian Chamber of Commerce				X	X	
Los Angeles Gay & Lesbian Chamber of Commerce			X	X	X	X
Desert Business Association						
Golden Gate Business Association				X	X	X
	20	21	23	28	27	26

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

17. For any technical assistance and capacity building programs offered by SoCalGas to develop minority business enterprises, explain any target goals for the programs, whether such goals were attained, and how the programs were evaluated.

**Utilities Response 17:**

Our technical assistance and development programs are designed to help diverse suppliers grow and become more successful. Last year 312 diverse firms participated in these programs.

In 2017, we launched three new technical assistance and development pilot programs for existing diverse suppliers and other interested businesses. The content of the pilot programs were based on a survey of former technical assistance program participants (Mastering Business Growth), and feedback we received during a focus group study. This study was conducted to evaluate the effectiveness of our existing programs and launch new programs that were just as effective and relative to today's business environment. Our goal was also to further enhance our programs and implement a more targeted approach for our existing and potential suppliers.

The goals for our technical assistance programs, which we believe we have met, are to effectively help the business owner to:

- Identify areas of improvement, create a plan to enhance performance and provide followup at specified intervals to monitor progress
- Improve strategic thinking, business tactics and to align goals and stay adaptable
- Help owners resume business after a major crisis, including natural disasters and a cyber breach
- Enhance finance skills and business development
- Expand beyond core capabilities and prepare diverse businesses to scale up their operations
- Improve effectiveness of leadership, negotiations and social media
- Enhance management skills and develop a business improvement plan
- For smaller business owners, develop business plan writing skills, learn book keeping, improve capabilities statement, social media, branding and business tax filing

All participants are required to complete a survey at the end of each course so we can continue to measure its effectiveness.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

18. For any technical assistance, supplier outreach, and capacity building programs offered by SoCalGas to develop minority business enterprises, explain any modifications that have occurred over the past five years, and any planned modifications to such programs during the next GRC cycle.

**Utilities Response 18:**

In 2017 we took a more targeted approach in providing technical assistance programs for our suppliers. We launched a Supplier Segmentation Strategy to better align our technical assistance programs and opportunities with our suppliers' needs. The strategy places diverse suppliers into four categories. The categories are based on revenues and provides a more customized approach to technical assistance, mentoring and on-the-job-training opportunities.

Key components of our strategy include identifying new suppliers that support SoCalGas' business needs and targeting assistance to companies in each of the segments below:

Discover – These are new suppliers we find through outreach efforts who can provide goods and services in underutilized areas of the Company.

Develop – These are companies ranging in revenues up to \$5 million that will benefit from programs such as our Small Contractor Opportunity Realization Effort (SCORE), development of strategic growth plan, and will receive mentoring and on-the-job-training. Specific technical assistance programs have been developed to address the needs of this segment.

Grow – This segment consists of companies in the revenue range of greater than \$5 million and up to \$10 million. We are focused on building capacity and sustaining growth with suppliers in this segment. These companies are prepared to transition from a sub-contractor to a prime supplier at SoCalGas.

Sustain – These are our largest suppliers with revenues greater than \$10 million. We are striving to develop true strategic partners that will ensure price competitiveness, help us minimize risk and share best industry practices in this segment.

We will continue our aggressive approach in our outreach and will identify qualified suppliers that have the capacity to do business with SoCalGas. Through the above segmented approach, capacity building and growth of our diverse firms continue to be one of our major goals.

In addition, we have added several new programs such as: Meet The Primes, Safety Congress, Supplier Engagement Forum, SCORE, Turning Contacts into Contracts and Supplier Diversity Champions Program. We plan on utilizing these same programs in 2018.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

19. How did SoCalGas determine that a five-year average baseline methodology was the best representation of future costs for the supplier diversity category? (SCG-22-WP at 40)

**Utilities Response 19:**

Supplier Diversity's forecast was developed using a five year historical average methodology. A five-year historical average represents a reasonable basis to estimate operational needs for TY 2019 because Supplier Diversity's costs are generally prone to fluctuations due to changes in work activities, which impact staffing levels, purchased service costs, and other factors. As such, Supplier Diversity uses a five-year historical average, which reflects the variances in costs from year-to-year and represents a reasonable basis to estimate operational needs for TY 2019.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

20. What accounts for SoCalGas' supplier diversity non-labor forecast adjustments (\$100,000) for 2018 and 2019? (SCG-22-WP at 41)

**Utilities Response 20:**

The forecast adjustment of \$100,000 for 2018 and 2019 represents costs required to ramp up our recruitment efforts for suppliers in underutilized areas, increase efforts for supplier development and expansion in highly specialized areas of the company such as gas storage, and fund the implementation of supplier diversity workshops with the National Diversity Coalition.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

21. What accounts for SoCalGas' supplier diversity labor forecast adjustments (\$43,000) for 2017, 2018 and 2019? (SCG-22-WP at 41)

**Utilities Response 21:**

The forecast adjustment of \$43,000 in labor for 2017, 2018 and 2019 is for the return of Supplier Diversity Advisors to normal operations after temporary deployment to mitigate the Aliso Canyon leak.



**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

22. What accounts for the higher (\$946,000) non-labor cost for SoCalGas' supplier diversity category in 2013? (SCG-22-WP at 42)

**Utilities Response 22:**

Supplier Diversity nonlabor in 2013 experienced higher than average costs in professional consulting services for CPUC Supplier Clearinghouse, contributions in support of community based organizations, and technical assistance. These types of costs are consistent with typical yearly expenditures and factor into our five-year average.

**NDC-SEU DATA REQUEST-001**  
**SOCALGAS- SDG&E 2019 GRC – A.17-11-007/8**  
**DATE RECEIVED: MARCH 2, 2018**  
**DATE RESPONDED: MARCH 20, 2018**

23. What accounts for the lower non-labor costs in 2015-2016, versus from 2012-2014 for SoCalGas' supplier diversity category? (SCG-22-WP at 42)

**Utilities Response 23:**

Supplier Diversity experienced lower than average costs for years 2012-2014 in the areas of professional consulting, services for CPUC Supplier Clearinghouse, contributions in support of community based organizations, and technical assistance. These types of costs are consistent with typical yearly expenditures and factor into our five year average.